THE CHINA WEEKLY REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

May 31, 1941

Japanese Army-Axis Groups Here Launch Anti-U.S. & Jewish Movement

F.D.R. Declares Emergency

Hutchins Appeals for Peace

Japan Ravages Indo-China

Difficulties Face Producers, Shippers As Export Season Opens

BY JOHN AHLERS

VOLUME 96 PRICE 80 CENTS (in China) NUMBER 13

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Comments from readers on current topics are cordially invited; their opinions, however, do not necessarily represent the views of *The China Weekly Review*.

CHINESE CATHOLICS

To the Editor:

Quite some time after it was published in your issue of April 12, 1941, an article by a staff member, under the title: "Matsuoka Intrigues at Vatican to Ween Catholics from Support of Nationalist China was called to my attention. There was much in the article that was good, showing the resistance of both Catholics and non-Catholics in Europe to Nazi persecution. But the author's presentation of the supposed attitude of Chinese Catholics towards the new conditions out here was not only wrong but offensively so. His statement, "Dr. Mario Zanin, an Italian, urged His Holiness to reorientate Vatican policy on the grounds that the Chinese people no longer trust the Chungking authorities and that Japan appears 'to all people' as the champion of the Asiatic races'," is a calumny. I saw this statement published a short time before in the **Peking Chronicle**, signed **Domei** and purporting to be taken from a secret dispatch sent to Rome. Why did not the writer give **Domei** as his authority? No other refutation would have been necessary.

Instead, in the same article, a little further on he continues: "Another Axis attempt to influence the Vatican in favor of **new-member** Japan was made through Italian Dr. Mario Zanin, Apostolic Delegate to China in Peking. Dr. Zanin recently attempted to discredit Nationalist China by telling His Holiness that Chiang Kai-shek's position is becoming worse, that the people do not trust the Chungking authorities, and that the split between the Kuomintang and the Communists, following the New Fourth Army's rebellion, is indicative or anarchic conditions to come....The Apostolic Delegate urged that the Holy See support Japan, the true champion of Asiatic peoples." I call attention to the fact that the writer of the article in The Review does not say that all these things are reported as having been done, and that the authority is **Domei**, but he stated it both times as a fact. Now it is quite easy to see how Japanese propagandists would like to make it seem that the greatest moral authority in the world, the Catholic Church, and the largest Christian body in China, the Catholics, were in favor of them.

As these two statements in the article were insulting to Msgr. Zanin, Chinese Catholics, quite a few of whom spoke to me about it, and to Catholic missionaries, many of them British and American. I wrote to the American editor of the official **Lumen News Service** published at the headquarters of the Apostolic Delegate, Msgr. Zanin, in Peking, asking if any official denial of this **Domei** canard had been issued, or if the report was considered too absurd to deny. Under date of May 19th I received from the editor the following:

"Referring to your letter of May 1, I can say that you hit the nail on the head when you say that the report given out was too absurd to be taken notice of. So far as I know, nothing is being said about it up here and any reference to it herabouts would be tantamount to making a mountain out of a molehill. However, if conditions down your way make it necessary to give a reply it might be interesting for you to know what the **Observatore Romano** had to say under date of February 16 of this year. Says the **Osservatore:** "News agencies of all the different countries have made it their practice to announce, amend and contradict ridiculous statements concerning the Vatican, its Secretariate of State, the Sovereign Pontiff and his representatives in various countries three or four times a day.' And the **Osservatore** goes on to ask: 'How would it be possible to answer each and every one of these ridiculous statements?'"

That should kill the story once for all.

AMERICAN CATHOLIC

Nanking, May 27, 1941

JAPAN'S AIM

To the Editor:

It is of great interest to read the editorial published yesterday by the Japanese daily **Tairiku Shimpo** commenting on the reported American endeavor to mediate Sino-Japanese hostilities, because from this article we can have a better cognizance of Japan's real aim in her China campaign.

Let me quote what that journal writes in part, as follows: "Frankly speaking, Japanese people (I am afraid it is the Japanese military rather than their people who are dictating Japan's suicidal policy) have no intention whatsoever of dealing with Chungking regime in the course of their disposal of the China incident but rather had the feeling that they are now fighting Chungking plus the British and American influences.... Japan would never ask any third power to mediate in the hostilities, particularly America, which is the outstanding obstacle against the construction of the East Asia new order."

This statement fully unveils Japan's fantastic design of dominating the whole of the Asiatic Continent, as well as the Southern Pacific areas, by enslaving the Chinese people and expelling all foreign influences from this hemisphere. Hence, all of us should realize that the Japanese military are now as war-crazy as the Nazis and would never be willing to wash their hands of the bloody business which they have been doing in China during the past three years and eight months. We seldom find any robber and bandit repent without being properly chastised. Thus, it is not time for America to mediate the Sino-Japanese conflict, because the mediation can never materialize if the Japanese military still indulges in war fanaticism.

THE CHINA WEEKLY REVIEW

Cable Address "REVIEWING SHANGHAI"

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What America should do now is to deliver as much aid as possible to China, as she is doing to Britain, and she may leave Japan to China.

HARRY YOUNG

Shanghai, May 21, 1941

CHINESE RESISTANCE

To the Editor:

For four years the Oriental fire has been burning and, as the time goes by, it is burning more and more wildly and furiously. With so large an area swept by flames, so many cities levelled and so many civilians wounded and killed China is still carrying on her armed resistance. However, China has puzzled and alarmed and impressed the world by her extraordinary spectacle of fighting Japan to a standstill in a war that the Japanese thought would be a three weeks' walkover.

CHEN CHIN-SHAN

Chungking, May 15, 1940

Executive Yuan Counsellor Dies at Chungking

Teng Ku, counsellor of the Executive Yuan at Chungking, died of pneumonia at the Chungking Central Hospital Tuesday May 20. He was 40 years old and formerly was a member of the executive committee of the Kiangsu Provincial Party Headquarters and also had served in the ministry of Education and for a time was principal of hte National College of Fine Arts at Nanking.

Japanese Said Fitted For Tropical Work

Dr. Yasushi Hisano of Nagoya Imperial University declared May 22 at Tokyo that the Japanese are much better fitted as colonizers in tropical and semi-tropical zones than are the Americans, Britons, and Russians. He did not mention the Germans. He claimed that the chief reason that Japanese are superior to occidentals as tropical colonizers is that the Japanese do not perspire as much as the westerners. He cited figures allegedly showing that the Japanese perspire much less than either American or Europeans. His theory was expounded at a meeting at the Japanese Imperial Academy and aroused widespread interest according to the report.

Grand Jury Indicts German in Washington

A federal grand jury in Washington indicted Frederich Ernst Auhagen, a German, for failure to register with the State Department as an agent of the German Government. Auhagen was arrested on the U. S. Pacific Coast on March 4 as he was preparing to sail from San Francisco for Japan. According to the report of the Grand Jury Auhagen was charged with distributing German propaganda information in the United States.

AMERICAN STOCK AND COMMODITY QUOTATIONS

May 27, 1941

STOCKS

Amer. Locomotive	11¼
Amer. Waterworks	4¼
Anaconda Copper	26
Bethlehem Steel	70
Chrysler	55⅝
Elec. Bond & Sh.	2
Gen. Motors	37⅛
Goodyear T. & R.	16¼
Gt. Nthrn. Rly., pfd.	25¾
Lockheed Aircraft	22⅛
Mont. Ward	33¼
N. Y. Central	12½
Texas Corp	39½
U. S. Steel	53⅛

COMMODITIES

New York Cotton, July	13.17/⅛
New York Rubber, July	22 52B/60A
New York Hides, June	15.08/08
Chicago Wheat July	96½/96⅝
Chicago Corn, July	74¾/74½
New York Sugar, N. 4, July	0 82½B/83A

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Demand Selling rate on N.Y. ... ... U.S.$1.	=Sh.$18.60	=Sh.$18.60	=Sh.$18.60	=Sh.$18.39	=Sh.$18.60	=Sh.$18.60
Demand Buying rate on N.Y. ... ... U.S.$1.	=Sh.$18.18	=Sh.$18.18	=Sh.$18.18	=Sh.$17.98	=Sh.$18.18	=Sh.$18.18
Demand Selling rate on London ... £1-0-0	=Sh.$73.14	=Sh.$73.14	=Sh.$73.14	=Sh.$71.77	=Sh.$72.45	=Sh.$73.14
Demand Buying rate on London ... £1-0-0	=Sh.$71.11	=Sh.$71.11	=Sh.$71.11	=Sh.$69.82	=Sh.$70.45	=Sh.$71.11

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Selling rate during May 23—28, 1941

Shanghai $100. equals Yen	22⅜	22⅜	22⅜	23⅛	23⅛	22⅜
Shanghai $100. equals Guilders	10	10	10	10⅛	10⅛	10
Shanghai $100. equals Rupees	18¼	18¼	18⅜	18⅜	18⅜	18¼
Shanghai $100. equals Pesos	10⅜	10⅜	10⅜	10⅞	10⅞	10⅜
Shanghai $100. equals Hongkong $	21⅜	21⅜	22	22	21⅛	21⅜

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JAPANESE ARMY-AXIS GROUPS HERE LAUNCH ANTI-US-JEWISH MOVEMENT

THE recent propaganda circulated from Berlin charging that President Franklin D. Roosevelt and Mrs. Roosevelt are Jewish and that the U. S. Government is Jewish controlled apparently served as a signal for the launching of an anti-Jewish movement in Shanghai which is directed mainly at local Americans and their press.

To the present the movement here appears to be dominated by two objectives: blackmail and Axis politics. That Japanese military elements are behind the movement is proved by the fact that the newspaper chiefly responsible for the attacks is published in Japanese-controlled territory under the editorship of a Russian-speaking Japanese named K. Kuroki. The newspaper is known as *Dalnevostochnoje Vremia*, or *Far Eastern Times* and is published at 409 East Seward Road in the Hongkew section of the International Settlement which is controlled by the Japanese Army.

The political motive behind the attacks on Jewish interests is indicated in the heading of the most recent article (May 24), a literal translation reading somewhat to the following effect: "*Shanghai Is Stinking Nest of Jewish Hate, Malice, Revenge and Greed—The Jewish Viper Spreads Deadly Poison Among Peoples of Eastern Asia—Struggle Against New Order—Blackest Ingratitude for Hospitality—Jews Constitute Economic Handicap to Japan and New China.*"

Under this heading appeared an article in the Russian language which occupied practically a full page in the Russian newspaper. It was alleged that two White Russians, who may or may not have been connected with the Russian paper, visited the office of a local Jewish Communal Association, located in the French Concession and demanded immediate payment of $40,000, which they later reduced to $20,000. The men had in their possession a proof-page from the Russian paper, allegedly containing the attack on Jews and Americans which they threatened to print in the event the money was not immediately forthcoming. Another report alleged that the Russians told a somewhat different story to the effect that they had been compelled to discontinue their anti-Communist campaign due to the signing of the Russo-Japanese neutrality Pact and as a result the Japanese had ceased to subsidize the sheet. They claimed the paper was in need of money to purchase a linotype machine and if the local Jewish organization did not advance it at once, the paper would be forced to publish an article exposing Jewish activities here. Whether or not this report was accurate is not known, but it is known that an official of one of the Russian Jewish charity organizations received a telephone call inviting him to come to Hongkew and visit the office of the *Dalnevostochnoje Vremia* for the purpose of "talking things over." It was shortly after this that the two men representing themselves to be representatives of the paper called on the Jewish organization and demanded $40,000.

Aside from attacks on the U. S. Government, American newspapermen and Americans in general the paper also attacked the Shanghai Municipal Council, charging that the Council was supporting Jewish refugee centers here from public funds; that Jews had created a "safety nest" in Shanghai where they resided in safety and conducted exchange operations, while peoples elsewhere, "even in the best cities of the world," were victims of bombs. "Shanghai is a state without king and parliament where Jews do their dirty business, cause economic damage to Japan and attack Japan and Japan's imperial representatives of the Army and Navy in China."

While the chief attack was directed at American journalists, several being mentioned by name, mention also was made of "hundreds of other journalists,—Jewish of course—including Britons, Germans, Russians and Poles. Continuing in rambling fashion, the article said

Destruction of Foreign Propaganda

The U. S. Postal Authorities on Dec. 23, 1940 destroyed 17¼ tons of foreign propaganda, which had accumulated in the San Francisco Post Office. The official report stated that the material in the form of books, pamphlets, special editions of newspapers, leaflets, etc., has been arriving at San Francisco at the rate of three or four tons per boat, the source of the subversive literature being Japan, Germany and Russia. The above picture, taken by Postmaster William McCarthy in the San Francisco Post Office indicated what was being done with the material. A report in the *Japan Times-Advertiser* on April 24 said that 75,000 pieces of mail matter, most of it of Japanese origin, was included in the material destroyed. The Japanese referred to the U. S. action as "unscrupulous," apparently forgetting what the Japanese and their agents had been doing here practically since the beginning of the Sino-Japanese hostilities. The picture was reproduced from the *Chicago Tribune*.

that Japan harbored no racial prejudices, hence the opposition to Japan which prevails among the Jews was unjustified, etc., etc. The paper then enumerated the influences here which are against Japan, beginning with the press, which the writer alleged was Jewish-controlled. Names mentioned were J. B. Powell, A. Buchman, John Ahlers, Frank Glass and "tens of others who work on the various American and British papers or serve as correspondents for newspapers in London, New York, San Francisco . . . . they represent the gang which heads the anti-Japanese front, these heinous Jews write, announce over the radio, draw cartoons, produce false photographs . . . . all with a view of defaming Japan and defending China."

Following this the next group to be attacked included the "gold diggers and brokers like Sassoon and Company, the Arabic Jews, bankers, who with the assistance of the American Jewish capitalists, were responsible for the Sino-Japanese conflict. Continuing, the article said, "And who are those Senators in America and Ministers in England, who shout that Japan is the devil against whom an embargo is proposed . . . . are they not the relatives of Shanghai Jews who write anti-Japanese articles in such papers as *The China Press*, *Shanghai Evening Post*, and not to overlook this "nobody" George Leonof (recently manhandled by local Italian Fascists) . . . are they not all of your blood?"

Then followed a veiled threat that these Jewish opponents of Japan could be "crushed at any time, subjected to a Hitler-style clearance . . . . your attempt to destroy thrones and the foundations of all states . . . . cannot happen because time is against you."

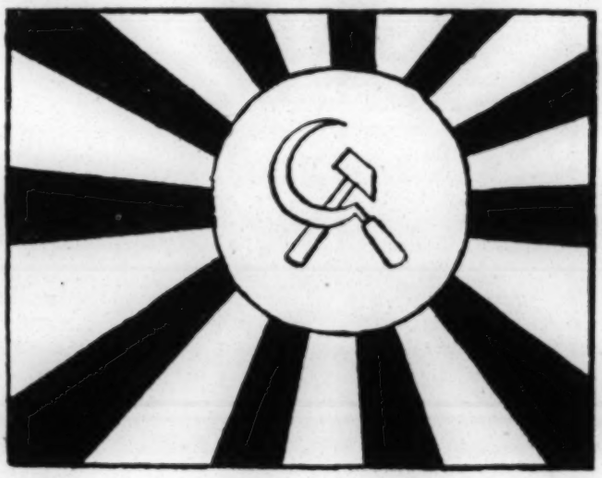
The remarkable statement then appeared that "in Japan everybody is free to express what he wants . . . . provided it is for the benefit of the Emperor and the Country . . . . in Japan everybody is free to profess any religion or doctrine . . . . provided it is not against the welfare of the Emperor or country . . . . yet even the Jewish refugees who came here from Europe and were permitted by Japan to land at Shanghai, after they had been rejected by the British in Palestine, lead the most malicious propaganda against the very people who gave them refuge . . . . this includes such people like Hamburg, Hubert Freyn, Anna Ginsbourg and others who continue anti-Japanese campaigns and become constantly more and more malicious in their writings against Japan . . . . they forget how they fled from the Bolsheviks and found refuge in Asia; how they fled from Europe and found refuge in Asia."

The article then charged that the Jews in Shanghai are responsible for the export of valuables from Japan and the smuggling into Japan of counterfeit money. The article charged that such action had taken place and was "continuing to take place," and cited a case where a man and his son had smuggled considerable sums of counterfeit yen into Japan, an activity also engaged in by many other business men here. The damage done to Japan in the past two years amounts to Y100,000,000 . . . . no wonder their wives wear jewellery and silver fox furs, that they buy land and build fourteen-story apartment houses . . . . you are all known and will have to pay for all this . . . . we warn you that America will have a social crisis which will be felt to such an extent that the nation's foundations are shaken and you will be the first to suffer . . . . in America more than elsewhere you will have to pay for your anti-Japanese sentiment..."

The writer of the article continued . . . . "You were beggars but yesterday, but you have made millions from the Sino-Japanese conflict, and all of it out of Japanese blood . . . . Where in Europe or the USSR could you buy furs and spend time at sea resorts and remit money to America? . . . . you live luxurious lives, make money freely, without contributing anything to the State . . . . you are engaged in harmful activity both by words and deeds . . . ."

Concluding the long tirade, the writer of the article declared that he was not anti-semitic, but the time had arrived for putting a stop to interferenee with things which bear the label of "New Order." "You who control exchanges, hotels, cinemas, land, banks, pawnshops, restaurants, cabarets, brothels, pharmacies, law- and doctors' offices, art-shops, import and export businesses, newspapers must beware for we possess power in this "oasis," called Shanghai . . . . you will not succeed in all your plans . . . . you will not break the strength of the peoples of Asia—Japan and China —because this race belongs to a country which has a culture older than yours, while you are dispersed throughout the world . . . you cannot undermine the foundations of thousands of years . . . you cannot prove yourselves to be cleverer than Asiatics . . . . ."

"Sun-Spots"



Aufbau, anti-Nazi Paper, N.Y.

The article was signed with a Russian name A. Gromoff, apparently a pseudonym.

The newspaper, *Dalnevostochnoje Vremia*, in which the foregoing appeared was established here several months ago at about the time that the Japanese-sponsored White Russian committee began its activities in Hongkew and initiated its attacks on the old established Russian Residents organization which was headed by Mr. K. Metzler, who was respected by all members of the Russian community. That the assassination of Mr. Metzler resulted from the attacks launched by the Japanese-sponsored group, there can be little question. Mr. Metzler's assassins never were apprehended.

It also should be mentioned in this connection that the Hongkew White Russian organ recently launched a bitter attack on *Shanghai Zaria*, long-established Russian newspaper published in the French Concession, despite the fact that the *Zaria*, which publishes editions in Tientsin and Harbin, has been regarded as pro-Japanese. The owner of the Zaria is a well known Russian woman, Mrs. Lembich, whose husband founded the papers.

While the attack on American journalists, also referred to news broadcasts, there was no mention of Shanghai's Number One commentator, Carroll Alcott. However, Mr. Alcott did not escape. He was the object of a bitter attack which appeared in *The People's Tribune*, a journal owned and edited by Tang Leang-li, director of Nanking's International Press Bureau, who also holds the job of Political Vice-Minister of Foreign Affairs. Tang's anti-Americanism was referred to in our issue of May 10, Page 309, while a more extensive

article dealing with local Russian politics and press appeared on Page 439, issue of March 1.

The foregoing attack on Americans, with insinuations of Jewish control of their press, political institutions and finances, is the first which has appeared since the publication several months ago in journals and press services controlled by the Nanking Govern. ment, of a list of American journalists who were marked for deportation, and a list of Chinese journalists employed on local Chinese newspaper, who were marked for a worse fate. When the matter was referred to the State Department and President Roosevelt, the President handed the message to the White House Correspondents Association, which contains several Japanese correspondents. Some interpreted the President's action as a suggestion that any harm suffered by American journalists at the hands of the puppet government at Nanking, might meet with retaliation against Japanese journalists in the United States.

Aside from threats of bodily injury against American journalists and their Chinese associates, including several who were educated in the United States, there also had been complaints against the action of Japanese military censors who had interfered with the circulation of American newspapers and magazines in Japanese-controlled territory, and magazines dispatched to dealers in Shanghai and other Chinese cities.

A significant element in the present anti-Jewish campaign inspired by Japanese military and Axis elements is that none of the American papers here, *Evening Post*, *China Press* (Sino-American owned), *China Weekly Review*, or any of the American registered Chinese newspapers are either Jewish-owned or controlled and none of them has Jews in executive positions although all of the papers employ Jews and various nationalities on their staffs and publish contributions by writers of all nationalities. There are two well known journals in Shanghai which are Jewish-owned, but neither happens to be American. These facts are cited in no spirit of disrespect toward Jews, who publish some of the finest journals in the world, but in the interest of accuracy.

"Keeping All Lines Busy"

Herblock in Lynchburg News

STALIN'S GIFT TO IMPERIALISM

(Reprinted from Fourth International, New York, May 1941)

In addition to still secret commitments from Hitler and Mussolini, Foreign Minister Matsuoka returned to Tokyo with a gift from Stalin bearing the ironic label: "Treaty of Neutrality." In the crooked atmosphere which envelopes such diplomatic doings, nothing appears as it really is, and the most important matters often appear as their opposites. Thus, when *Izvestia* declares that the pact "promises to yield good fruits," we need only indicate the immediate consequences to see how rotten to the core these fruits really are.

The mere announcement of the agreement struck a terrible blow at the Chinese people and their prolonged struggle against the Japanese invaders. Just as he tossed in the lives and liberties of the Poles and Ukrainians as

Stalin Repairs His Net!

The Central China Daily News, organ of the Wang Ching-wei group in Nanking Government, shows Stalin repairing his net for further fishing—but where?

part of his deal with Hitler, so Stalin has sold out the Chinese to the Japanese brigands.

According to *Izvestia*, the pact was concluded in accordance with the Stalinist "policy of peace." Far from assuring peace, this new pact is more likely to pave the way for an extension of the inter-imperialist conflict in the Pacific, just as the pact with Hitler precipitated the war in Europe. By clearing away their biggest obstruction in the rear, the pact enables the Japanese militarists to drive further southward and thereby hastens their impending clash with American imperialism.

Despite the *Daily Worker's* statement that the pact is a boon to the Chinese people, not the slightest credence can be given to the official Stalinist assurances that there will be no changes in the attitude toward the Chungking regime. We can only guess what secret clauses form part of this treaty. Agreements of this kind are like icebergs: what appears in full view is far less dangerous than what remains hidden below the surface.

Neither Stalin's virtual recognition of Manchukuo as part of the Japanese empire nor additional commercial agreements exhaust the content of the pact. What about the rest of China? Are there provisions for the partition of its remaining territory, as in the pact with Hitler? What agreement has been reached regarding the division of territory and allotment of spheres of influence elsewhere in Asia, provided the British Empire crumbles under Hitler's assaults? The answers to these, and other equally important questions, await the unfolding of the consequences of the pact in the coming months.

Imperialism has no better servant than Stalin; the workers have no more perfidious enemy. The Japanese conquerors command virtually no popular support. Stalin's move serves to prop up this grotesque juggernaut just when it begins to exhibit signs of internal disintegration. Stalin not only strengthens Japanese imperialism: he divides the forces which alone can overthrow it. His pact has erected a wall between the Chinese and the Russian people and between the Chinese people and the Japanese masses.

All this has been done in the name of defending the USSR and hailed by the Stalinist press as another victory

for the peace policy of Stalin. In reality the pact grew out of the internal weakness of the Stalinist regime and its helplessness in the face of its enemy-allies, and has already resulted in a further weakening of the position of the Soviet Union.

Stalin's Dependence on Hitler

If we should believe *Izvestia's* explanation," The USSR pursues her own policy and never will permit anybody to impose their alien will on her." It is more than likely, however, that Stalin signed the pact at Hitler's instigation and insistence, as part payment to Japan for signing the Three-Power Pact and cooperating against the Anglo-American bloc. Fearing Hitler and fearing to be drawn into the war, Stalin hoped by this stroke to placate Hitler. At the same time Stalin moves with an eye to the prospective menace of an attack from Hitler in the West. He needs no warnings from Churchill to know that Hitler has not forgotten, but simply postponed, his long-cherished plan of taking European Russia.

Stalin's subservience to Hitler was underlined by the editorial in *Pravda* declaring that the pact was directed not against Germany but against London and Washington politicians who were conspiring to hurl the USSR against Germany and Japan. As usual, Stalin's mouthpieces unmask the intrigues of the one imperialist bloc, the better to cover up the equally vicious plans of the other with whom he is in league.

Why ask a host of journalists in the Anglo-American camp, does not Stalin turn toward Great Britain and the United States? The Kremlin autocrat has as low an opinion of the power of the democratic imperialists as he has an extremely exaggerated regard for the strength of the Fascist war-machine. Having long since banished the use of the revolutionary proletarian power and program, Stalin, weakened within and without, sees no alternative but to lean upon the apparently stronger of the contending imperialist orders. But all his maneuvers, compromises and double-dealings will not suffice to save his regime from involvement in the war nor himself from destruction.

This is the ultimate crime of the pact: the fact that it further alienates the good-will of the working masses toward the workers' state. Not only the Chinese people but the masses everywhere feel keenly the reactionary nature of the pact and its consequences. It has further shaken their confidence in the USSR and their desire and ability to rally to its defense in case of imperialist attack.

Stalin's new pact demonstrates once more that the defense of the USSR demands, above all, that the workers overthrow Stalin and his degenerate clique.

Grand Coulee Dam Project Will Affect Pacific Trade

(Reprinted from "Shanghai," organ of the Shanghai American Junior Chamber of Commerce)

The most significant development affecting the foreign trade of the United States in the Pacific region is not concerned with the Sino-Japanese War, but with a development which is taking place on the U. S. Northwest Pacific Coast.

The hostilities between Japan and China, growing out of Japan's attempt to establish her military and economic domination over the Asiatic Continent, have an obviously important bearing on future trade trends on the Pacific, but looking at the situation from the standpoint of the long future, the most important development now taking place is connected with the early completion of the Grand Coulee Dam and water-power project on the Columbia River some 40 miles east of Portland, Oregon.

The importance of this project and its significance from the standpoint of future trade trends in the Pacific area may be realized when it is explained that the Bonneville Project, which embraces the Grand Coulee Dam, is expected to produce the cheapest and largest supply of electric power anywhere in the world. From the standpoint of general interest, the Grand Coulee Dam is the largest monument ever made by man on this earth. From the bed of the Columbia River it towers 550 feet and is three-quarters of a mile long. It will completely change the topography of a considerable portion of the country through the creation of a lake 150 miles long, stretching practically to the Canadian border.

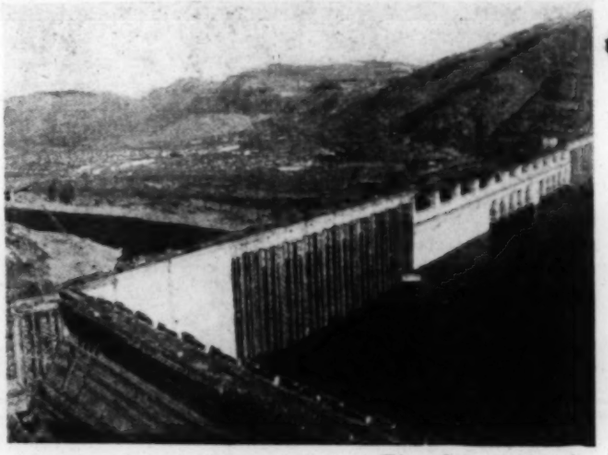
The estimated cost of the project, with an installation of 10 power units, will be about US$75,000,000, which is only about $25,000,000 more than American interests paid for the Shanghai Power Company, when it was transferred from a municipally-owned enterprise to a private company.

The first generators were started in March this year, sending electric power to the Tacoma Shipyards, 266 miles away and to Seattle, where the Boeing aircraft company is the largest consumer. Since Tacoma shipyards are turning out warcraft—and cargo boats for the Maritime Commission—it is natural that both the U.S. Navy and Army authorities have a deep interest in the Bonneville dam, but after the smoke of battle has passed and the world settles down business again, the value of this vast source of cheap power will be realized.

When the first generators were switched on, just two months ago, President Roosevelt wired the supervising Engineer, Mr. Frank A. Banks, "A fine job well done." When the huge Westinghouse generators are in full operation they will produce 2,700,000 horse power, which is about one-twelfth of all the power produced in the United States at present. It is more than the total electric power produced by all Japan.

Although not generally realized most American products, which enter into the trade of the Orient, aside from oil and fruit from California, must be transported from the U.S. East Coast. The products of heavy industry as

"Biggest Man-Made Project"



Time-International

Grand Coulee Dam on Columbia River, near Portland, described as the biggest man-made job in the world—will profoundly affect Pacific economics.

well as the products of American agriculture—cotton and tobacco—and the products of mines, particularly iron and steel, come from the East Coast or Gulf Ports. This means high transportation costs, entirely too high for competition with the cheap labor of Japan, or even Europe.

It often has been said that America's chief problem in connection with a war in the Pacific would be concerned with the transportation of war materials from the East Coast to the West Coast. Although the United States possesses several transcontinental railways and several fine motor highways, transportation would be taxed to the limit and beyond when it came to moving the necessary articles of war across the continent—even though there would be no interference with the Panama Canal, which also would be taxed to capacity and beyond.

But to get back to peacetime commerce, which is the important element, the Columbia River power development will provide two things now lacking on the West Coast: coal and cheap labor. That American industry is awake to the possibilities was indicated in a recent report that some of the big steel companies were planning to erect plants in the Northwest in order to take advantage of the cheap power and the expected great development of commerce which will come when men begin rebuilding what they have destroyed in the war, and in developing new territories brought into contact with civilization as a result of the war.

The magazine *Newsweek* stated on April 28 that the H. J. Kaiser Company was planning to establish a large West Coast steel mill with a capacity of approximately 1,000,000 tons annually. The mill will cost US$150,000,000 and will be established in Central or Southern California—from RFC funds. The Kaiser Company previously has been engaged in ship-building and production of magnesium.

While the Bonneville (name of a town on the Columbia River) Project is of special interest in connection with the future commercial development of the North

His Foundation of Dynamite

Will He Ever Learn?

WAR
"IF HE WOULD ONLY WORK HALF THAT HARD IN TIME OF PEACE, WHAT A UTOPIA HE COULD DEVELOP!"
THE WORLD'S TREMENDOUS EFFORTS TO DESTROY ITSELF
HISTORY

Two Cartoons by Orr in The Chicago Tribune.

Pacific countries, such as China and Japan—also Siberia and Alaska—another power development of almost equal importance, from this standpoint, is the Boulder Dam Project on the Colorado River. This enterprise will produce power equivalent to 1,835,000 horsepower. The first unit was put in operation on Sept. 11, 1936 and when completed will have 15 generating units of 115,000 and two of 55,000 horsepower capacity. This enterprise is the chief source of power for the industrialized Los Angeles district, an area which is rapidly becoming an important element in U.S. Pacific commerce. There is undoubted significance in the fact that the largest and most important airplane factories in the United States are located in Los Angeles County.

Innumerable elements enter into the commercial relations of nations—transportation, credits, quality of products, quantities available, selling and maintenance service—but of most importance is low production costs. How often have Americans been compelled to withdraw from competitions for the supply of materials because of high costs, high costs of labor and high costs of transportation. These giant power developments on the West Coast, particularly the Columbia River Project, should therefore be listed as most significant of trade trends on the Pacific for the not-distant future.

Afghan Mission Spent Busy Time in Japan

An Afghanistan Economic Mission, which spent several weeks making an investigation of economic conditions and conferring with Japanese industrial and political leaders, departed last week for home, according to reports in the Japanese newspapers. The Mission returned on the N.Y.K. steamer Fushima Maru. It also arrived in Japan aboard a Japanese steamer, all expenses having been defrayed by the Japanese Government. In Tokyo it was put up at the Imperial Hotel. Ghulam Ghaus Khan, Minister of Economy, who headed the Mission announced that the trip had no political significance and was only interested in the promotion of Afghan-Japanese trade and for the study of Japanese economic and industrial conditions.

The fact that arrangements were made for a large number of Japanese engineers, including a road-construction unit, to proceed to Afghanistan immediately, created the belief that there may have been other objectives behind the trip of the Afghans to Japan at this particular time. The Mission was greeted upon its arrival in Japan by Chuichi Ohashi, vice-minister of Foreign Affairs and by the Afghan Minister, Zul Facar Khan, and also by a number of Afghan government students in Japan. Koh Ishii, deputy spokesman of the Cabinet Information Board assured the foreign press that the Afghans had arrived, not upon invitation of the Government, but at the invitation of Japanese Foreign Trade organizations. The Afghan Mission, he stated was "just the same as" economic missions from Spain and Mexico, which had visited Japan last year. He also said he knew nothing about any trade or treaty between Japan and Afghanistan, which might result from the visit of the Mission.

Aside from the Japanese Highway unit being dispatched immediately, it als was reported that arrangements had been made to employ Japanese engineers to construct a canal in Afghanistan, which was expected to cost Y.40,000,000. The report stated that the canal project had previously been investigated by German, Polish and Swiss engineers, but the Afghans had decided to employ a Japanese engineer, Genjiro Kobayashi, for the job.

The attention given the Mission in Japan belied its alleged non-political character. On May 14, prior to the departure of the members, the Japanese Emperor awarded the Order of the Rising Sun, 2nd Class, with Double Rays, to the head of the Mission. All members were given a free tour of historic spots in Japan, including Yokosuka, Kamakura, Kyoto and elsewhere. They also were guests of numerous banquets and round-table discussions. Two Japan-Afghanistan "round-table" discussions were held under the auspices of the Osaka Chamber of Commerce in April. The discussions were participated in by more than 100 economic and financial leaders of the Kansai district, according to an account in the *Japan Times-Advertiser*. Some 60 representatives of Japanese economic and cultural organizations attended the farewell reception to the Mission at the Imperial Hotel on May 13. Foreign Minister Yosuke Matsuoka was also present.

Roosevelt Declares Unlimited National Emergency In World-Shaking "Fireside Chat"

President Roosevelt Tuesday declared in existence an unlimited national emergency which "requires strengthening of our defenses to the extreme limit of our national power and authority," according to the *United Press*.

The President declared that United States patrols "are helping to insure delivery of needed supplies" to Great Britain and said that additional measures "necessary to deliver the goods will be taken." Mr. Roosevelt said that "any and all further methods or combination of methods which can or should be utilized will begin to be devised by our military and naval technicians who with me will work out and effect such new and additional safeguards as may be needed."

Praises Epic Resistance

He asserted the United States faced the possibility Chancellor Adolf Hitler would realize his hope of world domination, which would be near accomplishment except for the epic resistance of Britain and the Dominions. He declared that "if the Axis powers lose control of the seas they certainly will be defeated."

Addressing the nation in a fireside chat, the President warned that "control and occupation by the Nazis of any islands in the Atlantic would jeopardize the immediate safety of portions of North and South America, island possessions of the United States and ultimate safety of the continental United States."

The epic proclamation was countersigned by Mr. Cordell Hull, Secretary of State.

A world which had been waiting for the President's declaration of policy was informed that "an unlimited national emergency confronts this country which requires that its military, naval, air and civilian defenses be put on a basis of readiness to repel any and all actions or threats of aggression directed toward any and actions or threats of aggression directed toward any part of the Western Hemisphere."

Seek Overthrow of World

President Roosevelt in a proclamation delivered separately from his fireside address, said that a succession of events makes it plain that axis objectives are not confined to those nations avowedly at war, "but include the overthrow throughout the world of the existing democratic order and world-wide domination of peoples' economies through destruction of all resistance on land sea and in the air."

United States' indifference, the proclamation said, would be perilous. Common prudence requires that "we should pass from peace-time authorizations of military strength to such a basis as will enable us to cope instantly and decisively with any attempt at hostile encirclement of this hemisphere or the establishment of any base for aggression against it, as well as to repel the threat of predatory incursion by foreign agents into our territory and society.

The proclamation called on all citizens engaged in defense production "to give precedence to needs of the nation, to the end that the system of government that makes private enterprise possible may survive." President Roosevelt called on loyal workmen as well as employers to "merge their lesser differences in the larger effort to insure survival of the only kind of government which recognizes the rights of labor or capital."

Nazis in Action

Chicago Daily News

Asks Cooperation

State and local leaders and officials were called upon to cooperate with civilian defense agencies in the United States in order to align internal security against foreign directed subversion and to put every community in order for a maximum productive effort, with minimum waste and unnecessary frictions.

"I call upon all loyal citizens to place the nation's needs first in mind and in action, to the end that we may mobilize and have ready for instant defense the use of all physical power, all moral strength and all the material resources of this nation," President Roosevelt said.

Mr. Roosevelt in his speech paid high tribute to China's resistance to Japan, pledged further aid to the Chungking Government and said "the magnificent defense of China which will, I believe, increase in strength," was also holding up Herr Hitler's plan of world domination.

Mr. Roosevelt declared that "the pressing problems that confront us are military problems....The first and fundamental fact is that what started as a European war has developed, as the Nazis always intended it should develop, into a World War for world domination. Herr Hitler has never considered domination of Europe as an end in itself. European conquest was but a step toward ultimate goals in all other continents. The unmistakeable fact apparent to all of us is that unless the advance of Hitlerism is forcibly checked now, the western hemisphere will be within range of the Nazi weapons of destruction," he added.

Based on Self Concern

Pointing out that the entire United States "program of aid for the democracies has been based on hard-headed concern for our own security, and for the kind of safe and civilized world in which we wish to live," the President declared that "every dollar of material we send helps to keep the dictators away from our own hemisphere. "Every day they are held off gives us time to build more guns, tanks, planes and ships.

"We have made no pretense about our own self interest in this aid. Great Britain understands it—and so does Nazi Germany," he added. Commenting on the war, the President declared that "Britain still fights gallantly....we have doubled and redoubled our vast production, increasing month by month our material supply of the tools of war for ourselves, Britain and China—and eventually for all democracies. The supply of goods will not fall, it will increase...."

Mr. Roosevelt repudiated isolationist demands that the United States work for a negotiated peace. "Your Government knows what terms Herr Hitler, if victorious, would impose," the President declared. "They are indeed the only terms on which he would accept a so-called 'negotiated peace.' Under those terms, Germany would literally parcel out the world, hoisting the swastika over vast territories and populations and setting up puppet Governments of its own choosing...."

"Would Make Promises"

Mr. Roosevelt declared that a triumphant Herr Hitler would make "to the Americas the promises and statements made to Austria and Czechoslovakia"....I am not speculating about all this," the President added. "I only repeat what is already in the Nazi book of world conquest. They plan to treat Latin-American nations as they are now treating the Balkans. They plan to strangle the United States and Canada.

"The American laborer would have to compete with the slave labor of the rest of the world....wages and hours would be fixed by Herr Hitler. The dignity, power and standard of living of the American farmer would be

gone. Trade unions would become historical relics."

Farmers Face Disaster

The American Chief Executive said that the American farmer would also face obvious disaster and complete regimentation, and declared that "tariff walls—Chinese walls of isolation—would be futile. Freedom of trade is essential to our economic life," he said.

The President said that a Nazi wall to keep the United States inside this hemisphere would be erected in which "the whole fabric of life as we know it would be mangled and crippled, and yet to maintain even that crippled independence would require permanent conscription of our man-power." He added that the United States would be forced permanently to pour its resources into armaments.

The President in his speech said that the Nazi plans do not stop with military possession of the greater part of Europe, occupation of Tripoli and Libya, and threats to Egypt, the Suez and Near East "for the Indian Ocean is the gateway to the East. They also have the armed power to occupy at any moment Spain and Portugal, and threaten Dakar and the island outposts of the New World, the Azores and the Cape Verde Islands." He pointed out that the latter was only seven hours distant from Brazil for bombers or troop planes and also that they dominated the South Atlantic shipping routes.

"War is approaching the brink of the Western Hemisphere itself; it is coming very close to home," he added. He said that Nazi control or occupation of any of the Atlantic islands would jeopardize the immediate safety of portions of North and South America, the United States' island possessions and also the ultimate safety of the continental United States.

Mr. Roosevelt said that the supreme Axis objective was to gain control of the seas, but pointed out that "to achieve it they must capture Great Britain."

He said that Americans can not be decieved into believing that Herr Hitler and his partners, if Britain was defeated, would not "close in relentlessly on this hemisphere." Because "the criminal leaders who started this war will suffer inevitable disaster" if they fail to gain control of the seas, according to Mr. Roosevelt, they are therefore risking everything on the fight for control of the ocean lanes.

Whole Structure Will Break

"If they are limited to continuing land war....in the end their whole structure will break into little pieces," the President added. Mr. Roosevelt then paid high tribute to "the silenced people" in occupied countries who "will prove to be a powerful force in disrupting the Nazi system."

The President declared that all American history was tied up with the words, preedom of the seas, and revviewed past naval actions to protect this freedom. He noted the effectiveness during "the first World War" of convoys, and then declared that "in this second World War, the problem is greater because the attack on freedom of the seas is four-fold: firstly, by improved submarines; secondly, by much greater use of heavily armed raiding cruisers and hit-and-run battleships; thirdly by bombers; and fourthly by destruction of merchantmen in ports accessible to bombers."

The president declared that sinkings of great numbers of merchant ships actually occurred within waters of the Western Hemisphere. "The blunt truth is that the present rate of Nazi sinkings of merchantmen is over three times as high as the British replacement capacity and more than twice the combined British and American output of merchantmen today," the president added.

"We can answer this peril by speeding up and increasing our great ship-building program, secondly, by helping to cut down losses on the high seas." He pointed out that the danger to the United States was emphasized by the presence in Western Hemisphere waters of Nazi battleships "of great striking power."

Mr. Roosevelt described the dangers which would result from German occupation of Iceland, Greenland, the Azores and Cape Verde islands. "They would prove to be the springboard of an actual attack against the integrity and independence of Brazil and her neighbor republics," the president declared.

Describes Dangers

Mr. Roosevelt then reiterated that "the United States is mustering men and resources only for defense, only to repel attack. I repeat that statement but we must be realistic when we use the word 'attack.' We have to relate it to the lightning speed of modern warfare. Some seem to think we will not be attacked actually until bombs are dropped on New York, San Francisco, New Orleans or Chicago. They are simply shutting their eyes to the lesson we must learn from the fate of every nation the Nazis have conquered," the president warned.

"We know enough to realize that it would be suicide to wait until they are in our front yards. When an enemy comes at you in a tank or bomber, if you hold your fire until you see the whites of his eyes, you will never know what hit you. Our Bunker Hill of tomorrow may be several thousand miles from Boston," the president added.

Mr. Roosevelt revealed that the strength of the Atlantic Fleet was steadily building up as part of the national defense program. The president outlined national policy as consisting, firstly, of active resistance whenever necessary "against every Hitler attempt to extend Nazi domination into the Western Hemisphere or to threaten it. We will all actively resist his every attempt to gain control of the seas. We insist on the vital importance of keeping Hitlerism from any point in the world which could be used and would be used as a base for attack against the Americas."

Assistance to Britain

The second phase of national policy, according to the President, was to give every possible assistance to Britain "and all who are resisting Hitlerism or its equivalent with force of arms." The president declared that "delivery of needed supplies to Britain is imperative. It can be, must be and will be done." American freedom would never survive a British surrender, Mr. Roosevelt added.

He pointed out that other American nations "may disregard those few citizens in the United States who contend we are disunited and can not act." The president acknowledged that there existed in this country a small group of sincere, patriotic men and women "whose passion for peace has shut their eyes to the ugly realities of international banditry and the need to resist it at all costs." He added that these Americans must be embarrassed by the sinister support they were receiving from the enemies of democracy in our midst.

Warns Against Profiteering

The President again pledged that the United States would preserve social gains made under the New Deal, and declared that "this is no time for capital to make or retain excess profits." Mr. Roosevelt warned that the nation's mediation machinery for industrial disputes must be used promptly without stoppage of work. He said the Government was determined to prevent interference in defense production.

Closing his address, the President declared that "we will not accept a Hitler-dominated world. We will not accept a world like that of the 20's in which the seeds of Hitlerism can again be planted and allowed to grow.

"As president of a united and determined people, I solemnly say that we reassert the ancient American doctrine of freedom of the seas. I reassert the solidarity of the American Republics and the Dominion of Canada. We have pledged material support to the other democracies of the world. We will fulfill our pledge.

"We will decide for ourselves whether, when and where our American interests have been attacked or our security threatened. We are placing our armed forces in a strategic military position, and we will not hesitate to use our armed forces to repel attack. We reassert our abiding faith in the vitality of our Constitutional Republic as the perpetual home of freedom, tolerance and devotion to the word of God.

"Therefore, I tonight issued a proclamation that an unlimited national emergency exists which requires strengthening of our defense to the extreme limit of our national power and authority.

"The nation will expect all individuals and all groups to play their full parts without stint, without selfishness, and without doubt that our democracy triumphantly will survive."

The president closed with a repetition of the Declaration of Independence, to which "with firm reliance on the protection of Divine Province we mutually pledge our lives, fortunes and sacred honor.

Lack of Understanding

Shoemaker in Chicago Daily News.

The Hungry Tiger's Next Turn!

Chicago Tribune

Innocent Ally

Chicago Daily News

New Theatrical Offering

Fitzpatrick in St. Louis Post Dispatch.

Fat Vulture

The Chicago Tribune.

"The American Ostrich"

Chicago Daily News

"Keep That Brat Quiet"

British Noon Bulletin (Shanghai).

Modern Atlas

The Chicago Tribune.

On the March to . . . ?

London Express.

Many Difficulties Face Producers and Shippers As Shanghai's Annual Export Season Opens

BY JOHN AHLERS

Shanghai now faces again the annual export season's beginning. Production of a great many local industrial products, of course, does not depend on the season but is being carried on all year round. Such products' importance in Shanghai exports increased throughout the past few years, and today they account for almost half of all goods shipments from Shanghai. Yet the bulk of the other half of local exports still consists of agricultural and animal produce in a raw or half-finished state, with production and arrival here of such produce continually subject to the rules of the seasons.

We have just passed the period of the year which in more normal times showed the annual peak of the import season. In about two months, Shanghai normally would reach the summit of the export season. The 1941-42 silk year starts officially on June 1. The 1941-42 tea year is to be welcomed around June 15. The egg products export season, begun already in March, is about to reach its height. Arrivals of spring and summer crops of a long series of other products of Chinese rural economy is equally due here within the next few months.

Curtail Silk Export

By no means do we live, however, in normal times. By no means does Shanghai find herself in a normal situation. Indeed, the difficulties which in years past confronted the forwarding here of hinterland produce are greater than ever. The Japanese all over the Yangtze Valley and adjacent areas are tightening their new commodity controls, established during the last 12 months. Recent Nipponese military and naval operations on the Central and South China coast closed another series of commercial channels through which inland supplies poured into Shanghai. This city today is cut off from Free China districts in East Chekiang and Fukien which last year were among our major suppliers with export commodities.

We also see the Japanese to an unprecedented extent discriminate against Shanghai's most important export article, viz., raw silk. The Japanese Central China silk policy late last year was completely reversed. From encouraging sericulture and raw silk reeling in the hinterland, the Nipponese suddenly turned to discouraging this line of production in China. Silk farmers have been induced to turn to cotton growing. More mulberry plantations have been wiped out. The Japanese Central China Silk Corporation curtailed the preparation of export raw silk, promoting instead the weaving of raw silk fiber into silk textiles for Asiatic requirements.

The purpose of this policy is to relieve in the American market the raw silk of Japan proper from the competition of China silk. Japan labors heavily under the pressure of an over-supply in raw silk, still her most important export commodity. She badly needs for armament purposes the foreign exchange produced by her raw silk exports. She maintains her present silk price level merely through governmental intervention purchases. The new Japanese arbitrary measures recently taken against Central China silk were calculated to result in an at least 25 per cent reduction in the production of such silk. On top of this came the spell of bad weather which late in April and early this month killed a large part of the silk-worms reared in the hinterland despite Nipponese opposition.

As regards tea, the outlook is not very reassuring either. The Japanese do not actually occupy the geographically difficult hill districts where centers Central China tea growing. Yet they now control most of the routes leading from those districts to the coast, and this year they are in a position to apply to Shanghai an unprecedented tea squeeze in much the same ways in which last they worked the silk squeeze. As regards other produce, the Japanese practically monopolize the forwarding to Shanghai and the export from here of all commodities accumulating to the Hankow region. Non-Japanese cannot transact or ship down the River any of these commodities. This applies, in particular, to the valuable wood oil and many kinds of seed and seed oils.

Eggs Sent to Germany

In egg products, in years past an almost $200,000,000 annual Shanghai export business, local export shipments during this year's first four months aggregated but $7,300,000. Only a little more than half of these egg products when to Great Britain, whose famous London tonnage in normal times accounted for practically all these exports. The facts are that in the hinterland the Japanese systematically obstruct the transportation to Shanghai of raw eggs, encouraging Japanese and Chinese plants to manufacture dried egg products which the Nipponese either appropriate themselves or forward to Germany in transit via Siberia. Since the start of the Sino-Japanese war, American and British egg products exporters at Shanghai did not experience business conditions as adverse as this year.

The sales outlook in foreign countries for a series of Shanghai's important export commodities certainly has not improved. In silk, the American market gives no indication of any impending increase in demand. Whether the current business boom in the U.S.A. will make the American girl buy more silk stockings as yet remains to be seen. War demand for parachute silk is limited. It is certain, on the other hand, that Dupont's Nylon this year will make further heavy inroads into the U.S. market for real silk, especially in the hosiery field. Whatever improvement the American silk market might show, moreover, is likely to be taken advantage of primarily by Japan whose Government with official funds bought

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Shanghai's Fascinating Bund

Shanghai's Bund: modern skyscrapers, grim ships of war, coolies at work. New York Times picture.

Chinese Pay Tribute to Johnson, Retiring U. S. Ambassador; Generalissimo Speaks

BY C. Y. W. MENG

Mr. Nelson T. Johnson, the American Ambassador to China, left Chungking—China's war-time national capital—on May 13 on his way back to the United States before his assumption of his new post in Australia.

Perhaps few foreign diplomats in China can match Mr. Johnson's popularity. His command of the Chinese language and his American sense of humor had always been a source of admiration to the Chinese people. Secondly, no other diplomatic envoy had shared the trials and tribulations of the Chinese to a greater extent than Mr. Johnson did. Since the outbreak of the Sino-Japanese war, except for two brief trips to Peiping to be with his family and one trip back to the United States, Mr. Johnson had stuck to his post by staying in Nanking, and later in Hankow and Chungking. Thirdly, it was largely through his efforts that Sino-American relations are as cordial as they are today and the American Government has such a thorough grasp of the China Problem.

The whole Chinese nation regards Ambassador Johnson as a "good friend of China." The Chinese are looking forward to his early return to the land where he spent the best part of his life, and where he can again meet the many friends he had made as the representative of a great Democracy.

Generalissimo's Historic Speech

Breaking all precedents, Generalissimo Chiang Kai-shek, more popularly known as China's "Fighting Generalissimo," gave him a big farewell party on May 10 in which he delivered a lengthy speech telling the departing Ambassador that China and the United States are two great pillars for the maintenance of the world peace, that the Japanese invasion of China is a preliminary step and ominous sign for the invasion of the United States, and that the Japanese aggression in China is the cause of the present world chaos.

On May 12, the Ambassador was received by Mr. Lin Sen, Chairman of the National Government, with the most impressive ceremony ever accorded to a departing ambassador. On May 13, the Ambassador was given a biggest send-off by many high officials.

Editorials in Praise

One day before his departure Chinese newspapers throughout the nation, in their editorials on "Farewell To Ambassador Johnson," first expressed much regret in seeing the departure of such a "good friend of China," and then concluded by requesting the departing ambassador to convey "A Word To The Americans," of mutual Sino-American interests.

At the Generalissimo's farewell party, in response, the departing envoy, said in part that during his 33 years in China he had seen the "passing of one period and the birth of a new period;" and he said that "I believe I now know China." He promised to convey what the Generalissimo had said to the American public.

For considerable length of time, the Chinese had been wondering and asking: Has the United States formed any New Concept of New China? If so, what is the American New Concept of China? The Ambassador's "I now know China" informs the Chinese definitely that the inquiry is being answered strongly in the affirmative.

China Changes

Within the last 30 years, China has undergone many changes, leading at last to what the Ambassador had said the "birth of a new period" in China. All these changes, when studied and chronicled, constitute a train of epoch-making events in the history of the Far East, which would not only decide the destiny of this young Democracy in the Orient, but would have great effect upon the situation in the Pacific and the world as well.

Under New China, China fights and reconstructs at the same time. That is, on one hand, the 450,000,000 Chinese are fighting desperately and heroically in their efforts to preserve world peace and civilization, to uphold the sanctity of international treaties and agreements, to vindicate international justice, to struggle for her national existence, and lastly, to fight a partial war for America in the Pacific. But, on the other, the Chinese are reconstructing the nation anew, politically, economically, militarily and socially, in what generally is known as the famous "Four-Phase Reconstruction in New China." China is fully and strongly determined to fight to the last. China will not sign a "Treaty of Brest-Litovsk" with the invader in exchange for a peace to go on with internal reconstruction.

Ambassador Johnson was with China throughout all these periods. He shared China's trials and tribulations. He saw a changing China; and now he sees a New China. A change of the period necessarily involves a change in one's outlook of the situation. So by "I now know China," the Chinese interpret it to mean America's new concept of China.

The New Concept

Indeed, a study of the American recent policy and actions, official utterances and public opinion leads us to conclude that America's new concept of China embodies the following important essential features:

First, the United States never regards China as a defeated nation by an aggressor; nor would the United States recognize a situation which has been brought about by means of force. The United States recognizes only *one*—and *one only*—China as independent and sovereign state, whose territory is expressly stated in the Chinese constitution.

Secondly, the Chinese believe that under such New Concept, the American Concept, America shares China's view that there are two important pre-requisities for world peace, namely:

1. The world peace, if any, must begin with the peace in the Far East; and
2. The Far Eastern peace, if any, must be conditioned upon the existence of a strong, independent and free China; and the end, once for all of the Japanese aggression—political, military and economic—in China.

Thirdly, as to the present war between China and Japan, under such a new concept, the Chinese believe that both the American Government and public have now come to realize that the Chinese are really fighting partly for the defense of America on another front.

For this reason, the Chinese are confident that the American Government, backed by the support of the people, will take more steps to meet legitimate Chinese aspirations and to take more dignified actions to thwart the Japanese aggression in China.

More Credit Facilities

Fourthly, the United States is now ready to extend more liberal credit facilities and loans to industrialize China than ever before, not for the purpose of economic exploitation, but

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Salute for U.S. Visitors

Madame Chiang Kai-shek introduces well known American publisher, Henry R. Luce and Mr. Luce, to her war-orphanage, where Chinese youths, whose fathers have been killed of wounded in the war, are given schooling and a home. Picture by Thomas Kwang, Chungking.

China War Tempo Decreases; Reds Cooperate With Government Troops in Shansi

The tempo of the China war last week decreased slightly, although sporadic field engagements still were being reported from the various war fronts. The Chinese Communist troops (18th Group Army were back in the news again while fighting in the battelfields of southern Shansi, where they were reported to have cooperated with the Central Government troops in frustrating the Japanese attempt to cross the Yellow River.

Communist troops attacked Japanese communications lines in Shansi. This tended further to frustrate the long-cherished Japanese desire to cross the Yellow River.

Previously (on May 19) **Domei** reported that the Reds were not cooperating with Chungking troops. A dispatch said that Chungking circles regarded the non-cooperation of Chungking's central forces and Chinese Communists as one of the basic reasons for the current disastrous failure in Chinese defenses in the battle sestors of North China. The Chinese Reds, the dispatch continued, were reported to be hitting at rear and flanks of Chungking forces by cutting off transportation lines, destroying communications, seizing munitions and striking at retreating Chinese troops in an attempt to increase their own power - at the expense of Chungking.

Washington Star Editorial

Domei's report appeared at the time of a **Washington Star** editorial, which suggested the possibility of the Eighth Route Army (former name of the Communist troops) breaking away from Chungking to join Wang Ching-wei forces.

An outspoken editorial in the Chungking **Ta Kung Pao** on May 21 urged the Communist 18th Group Army immediately to rush to the rescue of the Central troops facing encirclement in the Chungtiao mountains. The paper blamed the setbacks suffered by the Chinese in southern Shansi on lack of cooperation on the part of the Communists and said that "We sincerely and most anxiously urge the 18th Group Army to deny these allegations through action and facts."

The Chinese military spokesman, commenting on the **Ta Kung Pao** editorial, said that the article represented the views of the newspaper only, according to **Havas.** However, he was quoted as having said that the 18th Group Army did not take part in the battles of southern Shansi.

Chow Denies Allegations

All these allegation and reports met the categorical denial of Chow En-lai, chief Communist liaison officer with the Chungking Government. An early **Kuomin** report from Chungking said that Mr. Chow denied the Japanese rumor that the 18th Group Army had clashed with Central Government troops on the Shansi-Honan border, as "absolutely baseless." The 18th Group Army, he added, is engaged ceaselessly in fighting the Japanese in the area designated by the Central authorities.

Mr. Chow, in a letter to **Ta Kung Pao** on May 22, also denied the paper's previous allegation of Communist - non-cooperation with Central Government troops in the Shansi battlefield. In his letter, Mr. Chow wrote that the "18th Group Army did fight hand-in-hand with the Government troops in the Chungtiao mountain area despite a lack of food and munitions.

"The 18th Group will never give up its responsibility and will fight hand-hand with the Government troops in the Chungtiao mountain area despite a lack of food and munitions.

"The 18th Group will never give up its responsibility and will flight hand-in-hand with the national forces, and the Communists never will reach a compromise with Wang Ching-wei as suggested by the **Washington Star,"** Mr. Chow continued.

Mr. Chow's words seemed to have been substantiated by a belated report carried by **United Press** from Loyang dated May 22. The Japanese, the report said, were believed to have abandoned the program because of reported attacks by the Eighth Route Army on Japanese communications in Shansi province while they were simultaneously moving southward in order to assist the recently-reinforced Central Army units in the Chungtiao mountains.

Chinese Cut Railways

The Chinese were reported to have cut the Peiping-Hankow Railway in two places, the Tungpo railway—Shansi's main northsouth line—in three places and the newly-built Chinpei line, running from Chincheng in southeast Shansi to the Tungpu railway near Taiku, at two places, the same dispatch said.

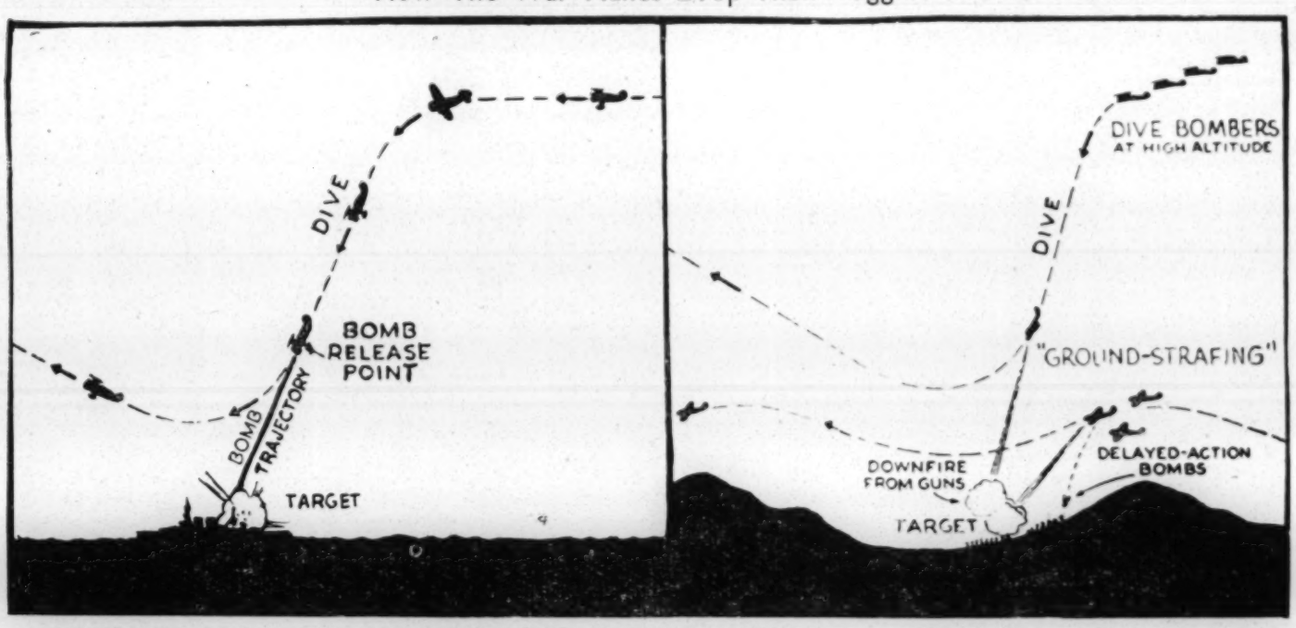
Mr. Chow in an article appearing May 25 in the **New China Daily,** Communist organ, urged the nation to insist on "an independent resistance war." He interpreted independent resistance to mean China's refusal to "being involved in the world's imperialist wars." He charged that Eritain and the United States were concentrating their efforts on delaying a clash with Japan to such an extent they possibly would sacrifice Chinese interests. Apparently referring to Soviet Russia, Mr. Chow wroted that "we must utlize the contradictions among the imperialists to gain support from abroad."

Increasing Kuomintang - Communist cooperation gained further momentum last week, **Kuomin** report from Chungking said. It was understood that Mao Tse-tung, well-known Communist leader, would make a personal trip to Chungking shortly to see leaders of the Central Government. According to the same report, the recent discussions between leaders of the Kuomintang and the Chinese Communist Party have helped foster the cooperation of two troops in the Shansi fighting front.

Fighting Decreases

Fighting in southern Shansi last week was on a lesser scale compared to the week before last. The Japanese, however, claimed to have launched their second phase of mopping up operations in the region on May 24. The Chinese report said that the situation in the Shansi battle is clearing up following the arrival of large Chinese reinforce-

How The War Planes Drop Their "Eggs"



The above drawing from the New York Times Magazine disproves the popular belief that air-bombs drop "straight down." The picture on the left shows a dive-bomber in action, the most accurate form of bombing a target, whether on land or at sea. The picture on the right illustrates "ground strafing" by two methods and also shows the projectory of a bomb dropped from a plane flying in normal fashion.

ments. These reinforcements were re-
tacks against the Japanese flanks and
ported to have launched large-scale at-
rear-guard, while other Chinese troops
coming from western and eastern Shan-
si have also started to advance.

The **Central News** dispatch said that Japanese forces suffered casualties totalling 40,000 during fighting in southern Shansi during the past two weeks. The dispatch added that the Japanese military employed 120,000 men in the campaign. On the other hand, the Japanese also claimed that "staggering losses" were inflicted on Chinese troops, totalling 200,000 during their drive in southern Shansi between May 7 and 17. The Japanese claimed to have killed two divisional commanders and three staff officers, while etwo divisional commanders and another two deputy commanders, as well as one staff officer, were taken prisoner.

Hupeh Front Quieter

The Hupeh front remained comparatively quiet last week with an exception of a minor Japanese drive started on May 21 against the Chinese troops in the Tama Hills to the southeast of Hsinning. The Japanese claimed to have started their offensive from the direction of Tungshen, Machiao, Chinniuchen and seven other points.

Chinese field dispatches from the Chekiang front last week reported several notable recaptures. According to **Central News Agency**, the fan-like areas south of Chuki were the center of battle for several days. The Chinese troops were reported to have engaged an army of more than 10,000 Japanese. In spite of the larger Japanese force, it was claimed, the Chinese were able to make steady advances and forced the Japanese to retreat northward. On the night of May 19, the Chinese succeeded in pushing back the Japanese towards Hengshan, Washshan and Kishi, and points before the Japanese could conthen launched vigorous attacks at these solidate their new positions. The Japanese, the agency added, were drive out of Chuki at 3 p.m. May 20. Japanese casualties in this battle were estimated at 4,000 men.

Chinese troops operating along the Chekiang-Kiangsi Railway, according to **Kuomin**, are continuing their northward drive against Siaoshan, after the recapture of Shuki. Linpu, 28 miles north of Chuki, was reoccupied by the Chinese on May 23, the report continued. On the previous day, Yuyao, strategic town west of Ningpo, was also brought under the Chinese control. The Chinese are now reported to be steadily pushing toward Ningpo. All these Chinese claim appear to be reliable, as the Japanese have failed to issue any denials thus far. Another **Kuomin** report farm Chungking, meanwhile, said that the Chinese recapture of Foochow, provincial capital of Fukien, is imminent as fierce fighting is underway in the northwestern suburbs of the city. The Japanese defense line to the west of the city, it was said, was penetrated by the Chinese on May 19.

Several minor field engagements were also reported last week in the areas around Pengtseh and Nanchang in northern Kiangsi. In the former area, the Chinese claimed to have successfully repulsed a southward drive by the Japanese. On May 16 and 17 the Chinese recaptured Shuangkian, Tsingshanchao, Lufeng, Tsingtienpan, Kuokiachao and Huangtukian, it was claimed. The Chinese are now said to be still pursuing the retreating Japanese. The Japanese claimed success in mopping-up operations in areas south of Nanchang, according to **Domei.**

Chinese field dispatches from Kwangtung last week claimed the recapture of Waichow and Poklo. Both fell into Japanese hands as a result of their recent drive in Kwangtung. A **Kuomin** report from Chungking, detailing the Chinese success on that war front said that after reoccupying Waichow, strategic city in eastern Kwangtung, on May 21, the Chinese continued their drive northwestward against Poklo, where the Japanese, heavily reinforced from Tsengshing, offered stiff resistance. However, the report continued, unable to withstand the Chinese attacks, the Japanese defenses in that area eventually collapsed and the city fell into the hands of the Chinese on the night of May 22. About 1,000 Japanese were killed in this battle, the report added.

Official Japanese military dispatches from Canton quoted by **United Press**, meanwhile, claimed that the Japanese had withdrawn from the Waichow sector in Kwangtung and had proceeded to an undisclosed destination because there was no necessity to maintain Japanese forces in that area after all Chinese troops there had been crushed.

The Japanese Air Force remained very active throughout the week on China's numerous war fronts. The China National Aviation Corporation's passenger plane was made the target of Japanese aimless missiles during a Japanese air attack over Suifu, southwest of Chungkin, on May 20. The pilot of the bombed plane, Mr. H. L. Woods, said that bombings while the passenger plane was the Japanese attack was confined to on the Suifu airdrome. The pilot said that after their landing at Suifu, he was told that Japanese planes were close and that there was no time to take off. The passengers, including Dr. and Mrs. Robert Ellsworth Brown of Ann Arbor, Michigan, well know China medical missionaries, and crewmen, left the plane and easily reached shelter by the time the Japanese planes wer overhead, Mr. Woods added.

The plane, which was en route from Chungking to Chengtu, was slightly damaged by shrapnel. However, there were no casualties and passengers were ferried to Chengtu without incident, according to Mr. Woods. Meanwhile, it was understood that a crew had begun to repair the ship on May 21 and the ship might have been flown out already.

During the extensive Nipponese raids on Chengtu and other northern and eastern Szechuan province towns, Chinese pursuit planes shot down three Japanese bombers, Chinese reports said.

Office hours of all Government organizations and bureaus in Chungking, were set at from 6 a.m. to 10 a.m. and from 3 p.m. to 6 p.m. daily beginning May 26 because of air-raid disturbances. Meanwhile, the National Air Commission on May 25 also promulgated rules to guard against a possible surprise Japanese parachutist invasion of the interior. Such a raid will be signalized through the beating of gongs, the ringing of bells and three short blasts of a bugle, according to the **United Press.**

Political Terrorism Subsides in Shanghai; Italians Attack China Press Editor

Political terrorism subsided during the week but took on an Italian as well as a Japanese hue.

Chief Japanese terrorism was the detention by Japanese military of five foreigners, including four Britains and a Russian. The foreigners concerned were seized on the charge of using a radio set at the Chinan University, just of the railway tracks of the Shanghai-Hangchow line, on the evening of May 24.

The party was picnicking and decided to remain on the Chinan University grounds overnight. They were listening to the radio when it was overheard by a Japanese military patrol. The picnickers were hurried off to the Hungjao district headquarters of the Japanese military fur Questioning.

Party Released

Although suffering no ill treatment the party was detained 24 hours pending investigation of the matter. They were finally released and given their radio, however.

The shooting of a Japanese soldier in civilian clothes reminded Shanghai-residing Nipponese that they are regarded as invaders by patriotic Chinese and are unable to maintain completely the yoke of oppression.

Private Kadashima Kikuchi was attacked by surprise on Tsang Street, Nantao, and died from the effects of two bullet wounds which pierced his temple. Five or six shots were fired by the lone gunman attacker who escaped. All gates leading from the French Concession to Nantao were closed for some time fullowing the shooting and three suspects were arrested in connection with the incident.

The difficulty of attempting to hide a kidnapping victim within the Settlement was experienced by a gang of kidnapprs when Settlement Police released their victim, Liu Chien-wu, a stock exchange broker and arrested three suspects. The victim was kidnapped the night before his release and was hidden in the Settlement area, apparently because of the difficulty of passing Settlement and French Concession barbed wire barricades. Help was brought to Mr. Liu when Chinese constables heard cries coming from the gang's prison.

Italian Terrorism

An Italian brand of terrorism struck this city following the inability of local Italians to face the truth of **China Press** reports of German domination in warweary Italy.

In this connection, George Leonof, city editor of the **China Press,** was lured into a trap on the evening of May 23. He suffered various cuts and bruises on his face and head and was drenched in castor oil.

Mr. Leonof was telephoned by an Italian named Costantini, head of the local Fasait organigotion, who asked for an interview at the New Royal Hotel, but which was finally arranged for at the palace hotel. When Mr. Leonof reached the hotel, Mr. Constantiai, apparently afraid to perpetrate his designs without at least a four to one numerical advantage, persuaded the victim to accompany him to the Italian Center. They reached a vacant lot near the center where three other Italians appeared and charged him with writing allegedly anti-Italian articles in the **China Press.**

City Editor Beaten

Despite assurances that he had nothing to do with the editorials, Mr. Mr. Leonof was "advised" to drink a large bottle of castor oil. Upon a refusal, he was beaten with a brick as the four Italians struggled to force the oil down their victim.

Mr. Leonof reported the incident to the Bubbling Well Police Station, despite a warning not to so.

An impressive funeral service was held on May 22 by the Nanking authorities for the gangster bodyguard and chauffeur of Mr. Wu Yun-pu, Chief of Guards of the ministry of Police. It will be recalled that these victims met death when they fired on membbers of the Shanghai Municipal Police force on duty at the Avenue Haig and Bubbling Well barbed wire barricades.

Authoritative Reports Indicate Food Situation Becoming Desperate in Shanghai Hinterland

Authoritative reports from many places in the interior areas of the Shanghai hinterland indicate that food conditions are rapidly becoming desperate. For example a report received by a charity organization, which has branches in Anhwei province stated that the need was greater than at any time since the beginning of Sino-Japanese hostilities four years ago. The price of rice in the district was approximately $200 a tan (170-lbs) with proportionately high prices for other grains. The letter stated that the farmers have peas and beans, but people in the villages are starving for lack of food. Recently one of the relief organizations in the district received approximately 1,000 sacks of American cracked wheat, which created intense excitement. The report stated that hungry persons along the route had torn open many of the sacks so that there was a shortage of about 10% when the shipment arrived. Some 600 starving persons received portions of the first shipment of free wheat to reach the district.

A correspondent in another place in Anhwei, north of the Yangtsze wrote, "The famine situation is getting worse and worse for the poor people." The report from the Bao-Chang district said that under ordinary conditions there should be an improvement as the harvesting season was on, but unfortunately most of the local grain had been "bought up for shipment to distant places." Rice in that area was selling from $70 to $140 a pical (133-lbs.) Chickens, which were the only form of meat available, were selling for $8 and $9 each. A mission hospital in the district was in a desperate situation because of inability of the management to obtain food for the patients.

Sees Scrawny People

At another interior point a man who had been traveling through the countryside by bicycle wrote: "I have seen large numbers of scrawny people eating green vegetables or "greens" they had gathered along the roadside, cooked in a little vegetable oil, nothing more—no rice, no meal, no salt, no beans, no wheat, nothing—for the simple reason there was nothing else available. Nursing mothers had no milk for their infants." The letter said that the first shipment of relief-wheat from Shanghai was given to 250 children, some of them consuming three or four bowl-fulls before they were satisfied. The children are now being fed once daily.

At another place, only a few hours out of Shanghai, representatives of three mission groups, Catholics, Episcopals and Methodists, were dispensing relief to some 700 persons weekly.

The widespread famine situation also prevails among the population residing on the islands off Hangchow Bay and the Chekiang coast. A woman connected with a mission in the area said that the people were living on clover and other herbs. "It is very pitiful to see them and hear them tell of their necessities. These island people, once engaged in the prosperous fishing trade, have now been denied an opportunity to continue their normal activities and are in dire distress. Groups of needy persons who are being fed range from 70 to 300. At one place there are 700 families which receive relief, of which the correspondent said, "There are many, many sad stories, and occasionally a consoling one of families who have been helped through bad days and are now on their feet again."

5,000 Ask Relief

Another place west of Shanghai reported that 5,000 persons applied for relief daily at the office of a Chinese charity organization.

While most of the reports came from widely scattered places to the north and west of Shanghai, it also was reported that conditions were serious in Chekiang province, particularly in areas where there had been recent fighting and in numerous towns and villages which had been subjected to bombing operations. Most of these places, however, are still closed to relief bodies.

The Chungking Government is making every possible effort to alleviate the famine conditions in unoccupied parts of China. The National Relief Commission has allocated large sums for relief work in Fukien and Chekiang provinces and also in cities recently bombed by Japanese planes.

Half a million dollars have been granted to Chekiang, besides the sum already spent on relief there, and another $500,000 will be used for purchasing rice from Kiangsi for consumption in Fukien.

Chengtu and Loyang have received $50,000 and $100,000, respectively, while a large sum was taken out of the special air raid relief fund for Lanchow.

Efforts are being made to get enforcement of a plan adopted by the Central Committee of the Kuomintang providing for the purchase of surplus foodstuffs from farmers with one or two year treasury bonds redeemable in kind, bearing an advantageous rate of interest.

Further relief for China's starving and ailing is coming in increasing amounts from the United States. One hundred and twenty tons of medical supplies, donated by the American Red Cross Society to the National Government for the relief of wounded soldiers and war refugees, has arrived in Kunming via the Yunnan-Burma Highway.

Funds are being raised in the United States for United China Relief by Miss Lily Pons, Metropolitan Opera singer, and Dr. Lin Yu-tang, Chinese writer and philosopher. Miss Pons appeared in a benefit concert at Carnegie Hall on May 20 and Dr. Lin spoke on "The New China." Proceeds of the benefit will go toward the US$5,000,000 goal of the United China Relief campaign.

Huge Medical Aid

A large quantity of medical supplies have been assured China by the American Bureau for Medical Aid to China, following the passage of a $1,995,034.48 budget for shipment of medical equipment and supplies and the installation of medical units in China.

Three hundred provincial hygienic laboratories and district health centers, 15 general hospitals with a total of 4,500 beds, 200 ambulance-trucks, ten air raid first-aid stations in Chungking and new buildings and equipment for emergency training schools and orthopedic centers will be some of the things provided by the bureau. In addition to the above gifts, the organization plans to send a shipment of standard medicines. Emergency needs, caused by epidemics or the destruction of buildings and supplies in air raids are also provided for in a fund set aside by the Bureau.

With the exception of a few places where hostilities are in progress or recently concluded, the Japanese military authorities have facilitated the shipment of food materials to interior places.

Island People Receive Wheat and Rice from Red Cross

The first distribution of cracked wheat in the village of Long-toko. Sethan, Chusan archipelago May 1941
Distribution of cracked wheat in the catholic chapel of Tsa... Chusan archipel...
May 19th

Islanders in the Chusan Archipelago, now in a starving condition because of the Sino-Japanese hostilities which have destroyed their junk trade and the fishing industry, are given American Red Cross wheat and rice through the Catholic and Protestant missions which function in the Ningpo-Tinghai area.

Government Restrictions Hit Japanese; U.S. Petroleum Embargo Possible

The Japanese people, entering into a German-aping period of Spartan-meager living, are resigning themselves to increased governmental restrictions and the possibility of complete severance of petroleum supplies from North America.

News dire enough to make all Japanese military leaders grow grey hairs came from Washington via the *Domei* news service this week. It concerned Representative Samuel A Weiss's proposal for a four-way move to stop experts of petroleum to Japan. The four-way method includes:

1. To make it unlawful to export petroleum or petroleum products to Japan or its possessions under penalty of serving one year in prison or a fine of US$5,000;
2. To prohibit the clearance of any ship bound for Japan with petroleum or products;
3. To require the President to include petroleum for Japan in any embargo proclamation issued under the export licensing system;
4. To urge the President to embargo petroleum shipments to Japan.

The first of these measures has been referred to the Interstate and Foreign Commerce Committee, where no action has been taken as yet, while the second and fourth measures have been referred to the Merchant Marine Committee, which has asked recommendation on legislation from the State Department and the Maritime Commission. The third measure has been referred to the Military Affairs Committee, which has not yet moved consideration.

Should any one of these measures pass Congress, and it is very likely that they all may, Japan would be cut off from major oil supplies in North America and would find itself greatly hampered in carrying on further war activities.

Meanwhile, scarcities of supplies are being felt in all Japanese occupied areas. From Manchuria comes the report that rationing of wheat flour, matches and lamp oil will shortly be enforced in order to smooth their distribution and adjust prices. A ticket system will be used for the purchase of these products.

State Control of Food

The production of agricultural commodities in Japan has declined to such a great extent, partly due to the labor shortage resulting from conscription of men for the China War, that the Government is organizing state control over the output and distribution of all agricultural commodities. The Ministry of Agriculture and Forestry passed a decision on the compulsory sale to the state of the whole of this year's harvest of barley, wheat, and other crops.

Reports from Tokyo reveal that a shortage in sugar exists, which compels residents to use saccharine as a substitute in preparing foods. It was earlier unlawful to use large quantities of saccharine for foodstuffs because of its injurious effect on health.

Beer Rationed

Beer, cigarettes and suitable artist supplies are other commodities which are difficult to obtain in Japan's capital. Each day long queues of smokers wait in front of tobacco shops for precious packets of tobacco, which are rationed out in limited quantities.

Beer has been rationed in such parsimonious amounts that drinkers will only be rationed one bottle of beer in June, two in July, and one in September per household.

Art supplies have declined so in quality that the Federation of Art Association has lodged a formal protest with the Commerce and Finance Ministries. Painters complain that the "paints are so bad that our blue skies turn white and in no time."

The European war and Japan's pro-Axis leanings threatens to increase commodity shortages in the Land of the Rising Sun. The Bolivian Government recently has broken off its negotiations with Japan for the sale of Bolivian tungsten. The La Paz Government has accepted the United States proposal to take up Bolivia's entire tungsten supply at a price above the Japanese offer.

Near Eastern markets and resources have been closed to Japan with outbreak of Anglo-Iraq hostilities. Japanese steamship lines formerly operating to Iran and Iraq are reported to have suspended services beyond Karachi.

British Threat

Furthermore, the British Consulate advertised in the *Commercial News*, a shipping paper, warning charterers and shippers, "by reason of contravention of British regulations, that Britain will impose all disabilities in their power on the trading of the undermentioned vessels, namely, Japanese tankers, whalers, and 81 catchers. This may conceivable lead to seizures of the vessels and further curtailment of Japanese ocean going commerce.

Japanese aping of Nazi methods is seen in new Nipponese educational practices. Spiritual training and physical culture will be emphasized to turn out teachers capable of directing the younger generation along "lines of the national ideal." Military training and parades are becoming increasingly popular and compulsory in educational institutions. Instruction is given in air-raid precautions, field and anti-aircraft artillery training, and warfare methods.

Effects of the China incident itself are evidenced in Japan by the floating of public bonds amounting to Yen 600,000,000 and in Empress Nagako's planned visit to the Japanese war wounded convalescing at the Yokosuka Naval Hospital.

Yosuke's Tete-A-Tete

Chicago Daily News.

General Smuts Praises South African Jews

General Smuts, South African Premier, in a speech at Blaemfontein May 23 paid a high tribute to South African Jews for the part they are playing in the war. He said that the percentage of Jewish volunteers for military service was just as good as that for other sections of the population. Regardless of whoever else faltered or failed, he said, the Jews have played their part by the side of the Allies. L. S. Amery and Arthur Greenwood, members of the British Government, in a special message also praised Jewish war effort, while the Zionist, Chaim Weizmann declared that the half million Jews in Palestine stood united and ready to assist the British Empire. He said that in the shaping of a better world after the war, the age old problem of the homelessness of the Jews, which had been aggravated by the war, would call forth a fundamental solution.

China Floats Loan To Finance Railway

The national Government on May 22 issued a mandate for the flotation of US$10,000,000 in bonds for the constructio nof the Burma railway between Kunming and Lashio, according to **United Press** report from Chungking.

The mandate appointed the Finance and Communications Ministries to handle the bond issue, the same report said. Authoritative quarters in Chungking believed that the mandate for the flotation of the bonds marked the Government's decision to accelerate the building of the line and facilate the transportation of materials from abroad in view of the small capacity of the present Burma Road.

U. of C.'s Hutchins Attacks Roosevelt Policy; Makes Strong Appeal for Peace

(The following condensation of a recent speech by President Robert M. Hutchins of the University of Chicago appeared in the Chicago Tribune. The address was broadcast coast-to-coast. Hutchins is one of the United States' leading isolationists.)

The American people are even more overwhelmingly against our entrance into the war than they were a year ago, Dr. Hutchins, asserted.

Dr. Hutchins' speech was his second warning to the nation against "suicide" by drifting into war. Shortly before the passage of the so-called lease-lend bill he broke his eight years' silence on other than educational subjects to appeal for the bill's defeat. His address was entitled, "The Proposition Is Peace."

Power Not Yet Lost.

Passage of the lend-lease bill, he asserted yesterday, conferred no mandate upon President Roosevelt to take this country into war. But he pointed out that the President now calls for "total victory" over "the enemy." In view of the President's repeated pledges to keep out of war, perhaps these remarks were for foreign consumption, Dr. Hutchins assumed.

We stand on the brink of war, but we have not lost the power to decide against it, he said. There is time for a last "look around" before we plunge into the abyss.

If President Roosevelt believes that the people want war, he is mistaken, Dr. Hutchins said, The election did not give the people a chance to express themselves on the issue, because both parties' Presidential candidates declared for peace, he told his hearers.

Cites Showing by Poll.

The Gallup poll showed 10 days ago that 83 per cent of the people would vote to stay out of the war—a higher percentage than a year ago. On the other hand, if the President's most recent words are accepted at their face value we should fight now, Dr. Hutchins said.

There is no basis for hoping that the axis will go down in total defeat without complete American participation in the conflict, he warned.

"The country wants to defend itself, aid Britain, and stay out of war," Dr. Hutchins said."We have been told over and over again that we could do just that.

No Mandate for War.

"During the hearings and debates on the lease-lend bill, man after man announced that this was a bill to keep the country out of war. Mr. Willkie said that was why he was for it. Senator George, who led the fight for the bill, said that was why he was for it.

"The passage of this bill gave the President no mandate for war. The people want peace.

"If we go to war, what are we going to war for? Mr. Roosevelt tells us we are to save 'the democracies.' The democracies are, presumably, England, China, Greece, and possibly Turkey.

Lists the Dictatorships.

"Turkey is a dictatorship. Greece is a dictatorship. China is a dictatorship. As to England, in 1928 Mr. Anthony Eden, now foreign secretary, speaking in behalf of a bill extending the suffrage, felt it necessary to say to the house of commons, 'We have not got democratic government in this country today; we never have had it and I venture to suggest to the members opposite that we shall never have it. What we have done, in all the progress of reform and evolution of politics, is to broaden the basis of our oligarchy.'

"There can be no doubt that the people of this country prefer the government of Britain to the government of its allies or its enemies. Britain is a constitutional state and has been the inspiration of many constitutional states. We prefer the governments of China, Greece, and Turkey to those of the axis.

What is Russia's Place?

"But we cannot use the word democracy to describe every country that is or may be at war with the axis. If Russia is attacked by Germany, will she be welcomed into the choir of the democracies?

"If we go to war, what are we going to war for? The British propose to defeat

Attacks Roosevelt

Dr. R. M. Hutchins

the axis. What they propose to do then they do not say. They have repeatedly refused to say. Yet the United States is entitled to know.

"Are we to rush to arms every time the British empire is in danger? If so, we are entitled to know what the future policy of the British empire is to be.' Are we to put down every tyrant that arises in Europe? If so, we are entitled to know what is to be done to keep each tyrant from being worse than the last.

Asks What Roosevelt Means.

"If we go to war, what are we going to war for? The only specific statement the President has made on the course we are to pursue after the war is found in two sentences in his last speech. He said,"We believe that any nationality,no matter how small, has the inherent right to its own nationhood.' To the same effect he said, 'There never has been, there isn't now, and there never will be any race of people fit to serve as masters over their fellow men.'

"Do these statements imply the restoration of prewar boundaries in Austria, Czecho-Slovakia, Memel, Danzig, Poland, France, China, and Rumania? Is this undertaking to be world-wide? If so, how do we induce Russia to restore the prewar boundaries of Estonia, Latvia, Lithuania, Finland, and Poland?

Boundaries Fall Apart.

"If we succeed in reestablishing these boundaries, how do we know they will last? The boundaries we helped lay down the last time fell apart in 20 years. And we tried to lay them down on the same principle that the President proposes now: The principle of self-determination.

"And what do we do about the countries which were victims of aggression before 1939? What do we do about Hong Kong, the Malay States, the Dutch East Indies, French Indo-China, Africa, and, above all, India?

"If there never has been, isn't now and never will be any race of people fit to serve as masters over their fellow men, how can we tolerate the mastery of the white race over our brown, yellow, and black fellow men thruout the world?

The Four Freedoms.

"If we go to war, what are we going to war for? We are stirred, but not enlightened, by the great phrase—the four freedoms—which the President has used as the general statement of our aim. Freedom of worship, freedom of speech, freedom from want, and freedom from fear—if we go to war, we go to establish these four freedoms everywhere.

"The President cannot literally mean that we are to fight on till the four freedoms ring everywhere. If we are to be responsible for the four freedoms everywhere, we must force the four freedoms upon people who might prefer to do without them rather than accept them from the armed missionaries of the United States.

"This new imperialism, this revised conception of the white man's burden, this modern version of America's manifest destiny, is a repudiation of the Presidential teaching that there never has been, isn't now, and never will be any race of people fit to serve as masters over their fellow men.

Other Fields for Freedom.

"Of course, we must extend the four freedoms to our 'allies' as well as to our 'enemies.' We must see to it that British possessions throut the world have them. The hopes held out to India during the last war, disapponted after it, an now held out again, must be fulfilled. China, Greece, and Turkey must reform, too. In the Latin-American countries we shall have no easy task. Few of them have the four freedoms now. From Mexico to Patagonia we must send our legions to convert our good neighbors by force of arms.

"The President cannot mean this, for it is a program of perpetual war, war in Latin-America, war in the Far East, war in the South seas, and even war with Britain.

The Steps After War.

"Mr. Roosevelt must mean that by defeating the axis we shall rid the world of those governments at present most aggressive in their attack on the four freedoms. During or after the war, we shall have to figure out the next steps: How to establish and maintain governments that believe in the four freedoms. The first step is war. Here, then, is the real issue. Is the path to war the path to freedom?

"Total war for total victory against totalitarian states can best be conducted by totalitarian states. The reason is simple. A

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totalitarian state will be more effective in war than any other kind of state.

"A democratic state is organized for the happiness of its citizens. But their happiness cannot be considered in total war. Every one of them must become a cog in the military machine. If the United States is to proceed thru total war to total victory over totalitarian states, it must become totalitarian, too.

What We Want—And Get.

"Is total war, then, the path to freedom? We seek freedom from want, and we impoverish ourselves. We seek freedom from fear, and we terrorize ourselves. We seek freedom of worship and freedom of speech, and we suppress them.

"And when total victory has been won, will the totalitarian administration end? We may find a clew in England. A responsible member of the British cabinet, Sir Archibald Sinclair, publicly supports a proposal that there shall be no elections in England for three years after the war. The reason is clear. Poverty and disillusionment will make democracy dangerous.

"What will be America's fate after a long, hard, and bloody war? In times of peace we have had 10 million unemployed; we shall have at least that many again.

No Resources for Butter.

"We shall have an enormous debt. Repudiation and inflation may rid us of that — and at the same time of the middle class. Having exhausted our resources in getting guns, we shell have none for butter, houses, relief, social security or education.

"We shall have want and fear, and may have the kind of freedom proclaimed by one of Napoleon's marshals to the German towns. He said, 'My friends, I bring you perfect liberty. But be prudent. I shoot he first man who stirs.'

"Lord Halifax on Tuesday said that Hitler could never invade England. If he can never invade England, he can never conquer the Western Hemisphere. We in America have a chance to save democracy if we build our defenses and stay at peace. If we enter upon total war to total victory, we shall lose that chance, even if we win the victory."

The War on Capitalism.

Dr. Hutchins warned that there are modern American nihilists who want war for its catastrophe, because they believe that then capitalism will be destroyed.

"I think it fairly certain that capitalism will not survive American participation in this war," the educator prophesied. "And since it is the materialism that has brought us to our present pass, I am not altogether sure that it deserves to. But experience after the last war in Germany, Italy, and Russia does not suggest that catastrophe is the road to something better.

"The trouble with the doctrine of progress thru catastrophe is that you can be sure of the catastrophe, but not of the progress. So of war as the path to freedom. You can be certain of the war. The freedom is another matter.

How Freedoms Are Lost.

"If we enter this war, we shall lose what we have of the four freedoms. We shall lose the hope of realizing them. What we have, in this country, is hope. War, for this country, is a counsel of despair. It is a confession of failure. It is national suicide.

"We have far surpassed most other nations in our advance toward the four freedoms. We and we alone have the hope of realizing them. We must bravely and hopefully face the task of realizing them. We must show to the world a nation which practices the four freedoms. This is America's destiny."

Dr. Hutchins' who served overseas in the world war, asserted that there is no resaon for the belief that a wise peace will follow the present conflict.

Fear and Ignorance in Treaties.

"Fear and ignorance wrote the last peace," he said, "The fear of the French and British, the ignorance of all the nations. From this fear and ignorance sprang a peace that made this war inevitable. There is no less fear, and certainly no less ignorance, today."

We must be childishly naive to suppose that our national ills will disappear if the Nazis are overthrown and the British empire preserved, he asserted.

"If we go to war, and preserve the British empire, and crush the Germans, our fundamental problems will remain," he said. "We do not face our fundamental problems by going to war; we evade them. We do not make a just and lasting peace by writing into another treaty the fear, ignorance, and confusion that have marred our efforts to build a democratic community at home. If we would change the face of the earth we must first change our own hearts.

"It is our task to work out a new order in America, not, like Hitler's, based on slavery and degradation, but based on the premise that society exists to promote the happiness of its members and that happiness consists in the development of the highest powers of men.

"The good life and the just society—not the luxurious life or the powerful state—these are the goals toward which America must strive.

"It is America's destiny to reach these goals. It is her duty to the world to struggle toward them. The war to which humanity calls America is the war against poverty, disease, ignorance, and injustice. We must win this war in America now."

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Japan Disregards French Authority In Indo-China; Seizes American Goods

Japan this week continued to disregard French authority in Indo-China and formulated new methods by which to rape the protesting French colony of its resources.

The Japanese mission to Indo-China, in an unjustified disregard of French sovereignity, broke into American godowns at Haiphong and confiscated goods belonging to an American firm, the Far Eastern Trading Company. The firm had earlier been approached by members of the mission who demanded that the keys to the warehouse be handed over to them. Upon a refusal and the turning over of the keys to a French official of the legitimate government instead, the Japanese entered the godowns without warning either the Indo-Chinese Government or the firms, and carted away the stored goods.

The confiscated products were enroute to China when Japanese forces invaded Indo-China last year and the American firms have not been able to move them out of the country since that time. The Japanese have contended that the goods were Chinese-owned and therefore subject to confiscation.

Warplanes Discourage Protest

Following the seizure Japanese merchant ships entered Haiphong harbor to carry them elsewhere. At the same time flights of airplanes roared over the city in a display of force intended to discourage any French protest over the theft.

In an effort to discover the best way of depriving Indo-China of its resources, the Japanese Government, according to a *Nichi Nichi* report, has decided to send an economic mission to that colony. Purpose of the mission is to "survey the natural resources and economic conditions in order to discover better means of exploiting them.

The Government will select members for the mission from the Ministry of Foreign Affairs, the Ministry of Commerce and Industry, the Ministry of Agriculture and Forestry, the Government Planning Board, and also from the nation's leading financiers. Reports will be used as a basis for a plan to establish a semi-official "French Indo-China Development Company" which will have sole monopoly over Japan's trade with the colony.

With the purpose of opening up new markets for inferior Japanese goods and gaining further domination of French and Siamese commerce the Japan Department Stores Association, at an annual meeting, decided to establish department stores at Bangkok and Hanoi or Saigon.

Aside from department stores, the Association also decided to create "wholesale stores" in Thailand and French Indo-China for the benefit of the Japanese.

Protection on the North

Jensen in The Chicago Daily News.

Meanwhile, it is understood that Mitsukoshi, Shirokiya and other big department stores will send their representatives to Thailand, French Indo-China and other countries in the South Seas to investigate possibilities for opening new export markets for Japanese goods.

Increased Japanese influence in Thailand is evidenced by recent military preparations and restrictions directed against foreigners. A new decree has been issued in Bangkok prohibiting all foreigners from residing in the regions of Lopburi, Prachinburi and Jolburi. Non-Siamese are still permitted to travel in the above areas, however, if they are able to obtain special 30-day police permits.

Establish New Air Base

Establishment of an airbase on the upper course of the Menam River at Northaburi north of Bangkok, was announced by the Thai Government. This new air drome will be opened in June and will constitute a potential Japanese air stepping stone for attack against Britain's Asiatic Empire.

Japanese press comments reflect the Government's increasing difficulty in accomplishing its planned economic domination of the Netherlands East Indies.

Sinking of Battleship Hood Blow to British; Increased Aid from U.S. Foreseen Soon

Pessimism over the sinking of the British battleship Hood, mightiest single unit of the Royal Navy, was offset to a considerable extent by the Complete destruction and sinking of the first class modern German battleship Bismark by the British Navy. However, an analysis of opinions held by military and diplomatic authorities, indicate that the once powerful London-centered Empire may soon be defeated in World War II unless increased aid from the United States is immediately forthcoming.

Greatest loss to the English Navy since the sinking of the **Royal Oak** by a German submarine occurred when the 1939-commissioned German battleship **Bismarck**, scored a successful hit in the munitions magazine of the **Hood** off the coast of Greenland.

According to available reports, units of the Royal Navy ferreting out Nazi commerce raiders along the northern trans-Atlantic shipping route to England encountered a concentration of German naval units said to include the battleships **Bismarck** and **Tirpitz**. In the exchange of shells which followed, the **Bismarck**, projecting huge 16 inch delayed action shells, scored a direct hit on the munition magazine, Achilles' heel of the 42,000-ton Hood. The 21-year-old pride of the British Navy exploded and sank almost immediately.

While not generally realized, it was said that the Hood was purposely built light and speedy and was designed as a chaser rather than a front line battleship. Although a serious loss, particularly the 1,341 officers and crew who went down with the ship, the British still remain in control of the Seas.

Pursue German Ships

British units carried on the attack, however, for more than 70 hours pursuing the outnumbered Nazi vessels.

With the assistance of airplane-launched torpedoes, the fleeing, badly damaged Bismark, with guns silenced, was sent to the bottom with even heavier loss of life than was the case with the Hood.

Full extent of the damage suffered by German and British ships is not yet available. German sources claim that an English battleship of the King George type was also struck by Nazi shells.

In Crete, the week-old struggle between German parachutists and New Zealand and Greek regulars continued unabated. Hitler's air dominating air force dropped an apparently inexhaustable supply of troops on German-captured airdromes and harried Empire and fleet units. Cairo reports admitted that enemy troops had penetrated British positions west of Canea despite fierce resistance. With the ferrying of light two-man tanks to the scene of battle by Nazi transport planes, observers feared that German success in the Cretian campaign was virtually assured. King George of Greece, residing in Crete following the collapse of his nation, has already fled to Egypt for safety and the R.A.F. has been forced to abandon the island as a base of operations.

A further blow to the British Navy was suffered off Crete according to Berlin bulletins which claimed that 25 English ships were sunk near the island. Churchill announced however, that only two cruisers had been lost, but that four destroyers were lost.

Few Reinforcements

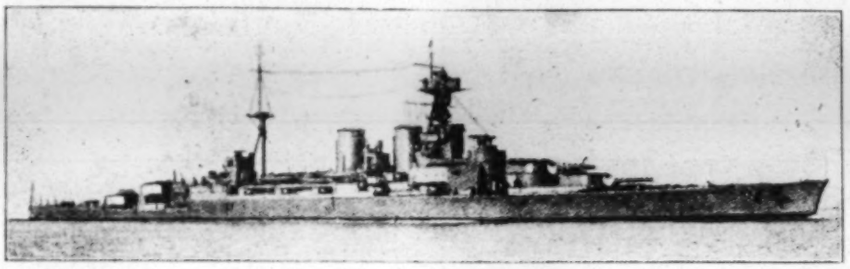
Credence to these German reports comes from the fact that England has been unable to land substanial reinforcements for the fighting in Crete.

Petain's agreement last week to collaborate with Hitler's forces was sanctioned this week by the hitherto anti-collaboration North African figure, General Weygand. He declared in a speech at Fez, Morocco on May 25, that "All Frenchmen concerned over the future of France....should subscribe unanimously to the principles of collaboration decided upon by Marshal Petain."

This address, followed by one in a similar vein by M. Pierre Laval asking for total collaboration with Germany, disillusioned British optomists who have anticipated a Franco-German break. The very fact that pro-Axis Laval was permitted to make his radio address indicates that France has finally decided to board the so far victorious Hitler band wagon.

From Belfast, Northern Ireland, a **Reuter** report tells of citizen 'resentment and numerous protest meetings and riots in wake of Churchill's tentative plan to start conscription in that area.

Furthermore, Eamon De Valera, head of the Irish Free State, bitterly condemned conscription plans in a speech to the Irish Dail on May 26. He charged that an individual should not be made to fight for a country to which he objects to belong.



The Battleship Hood

Objection to conscription was so widespread in Northern Ireland as well as the rest of the island that the British Parliment was forced to abandon its plan for fear of a nationalistic revolt in the land of the shamrock.

Further blow to Allied cause came with as yet unconfirmed reports that Turkey and German have signed an agreement "facilitating Axis aims in the Near East." Authoritative quarters have already acknowledged that Nazi war materials have been transported through Turkey for Iraq and German use in lghting the British.

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Willkie, Lehman Plead for Assistance to China; Climax of Giant "Aid to China Week"

Wendell L. Willkie, Republican Party leader, and Governor Herbert H. Lehman of New York this week warned the American people that they were facing their greatest crisis and that they must stand united with the Democratic nations in fighting aggression, according to a **United Press** report.

Speaking to thousands that thronged Columbus Circle at the end of the big parade which marked the close of the "Air China Week" Mr. Willkie appealed for increased aid to China "as an outpost of freedom in a world where the rim of freedom is shrinking...."

"I am here today because of my great concern for our beloved country. We face the most difficult crisis in all our history. Aggressive totalitarian Powers seek to conquer the free peoples of this world. For that reason, if for no other, we should assist China in her present hour of need and it is a very realistic reason because China is our outpost," he said. "What is happening to the east of us, will also happen west of us."

Governor Lehman, in his speech, said that "America must be as ready as China was ready to defend its liberties when the threat comes. The Chinese have stood up like men against the evil forces just as Americans will stand up in the face of any threat that may come ....

"The Chinese need our help and if we are able to give it to them they will carry on their fight and eventually win. What the Chinese people have done in behalf of Democracy, liberty and for the people of the world should not be forgotten. The Chinese were the first to refuse to knuckle down to aggression and cruelty."

The acting mayor of New York, Newbold Morris, in his address, said that the "wave of tomorrow is a wave of brutalitarianism. The A. B. C. Powers —America, Britain and China will stand as a bulwark against it."

"Surely," Mr. Willkie said, "we shall not let this appeal go unheeded. All of us recognize that the nations of the world are struggling to determine the form of life and the form of government they wish to have, whether in Europe or the Orient. Americans are resolved to maintain these outposts of freedom."

WENDELL L. WILLKIE

Climaxes Demonstration

Mr. Willkie's speech climaxed one of the greatest demonstrations of Sino-American friendship in the U. S. in years. More than 10,000 Chinese and Americans participated in a large parade here and similar celebrations were held in other cities of the nation as "Aid China Week" ended.

Approximately 7,000 Chinese marched in a parade in Washington, in which 2,500 American students also participated. The New York parade was featured by a huge dragon, nearly one block long, carried by 150 overseas Chinese.

(Continued from Page 413)

for the benefit of both nations. The scope of "economic assistance to China" shall, therefore, be further extended.

"No Help to Japan"

To the Chinese, the facts involved in the question of placing an embargo on the shipment of war materials to Japan are very simple and permit no equivocation. Therefore, the Chinese are hoping mostly earnestly that the American Congress will shake off its inertia and respond to public opinion by taking immediate action to thwart the Japanese aggression in China.

Victory Possibilities

China is today discharging her obligations in the cause of world peace and international justice, and she expects that all peace-loving and democratic nations in the world will each make an equal contribution toward that end. In his historic speech before the Sino-American gathering on May 10, the Generalissimo made it sufficiently clear that what China is hoping from the friendly powers is sufficient supply of war materials and economic assistance to back up the Chinese resistance; and, as to the "common enemy in the Pacific, you can leave him to China....China is strong enough to oppose the aggression from the enemy ....and there is no necessity for any friendly power to dispatch any army or naval forces to assist China"

Such frank speech from the Generalissimo, when interpreted, also means that what China wants is not foreign troops, but no help to Japan and only help to China. The Chinese resistance against the Japanese aggression is bound to win at the end so long as there is no betrayal of her while the war is in progress; and so long as there is continuous flow of supplies of war materials and economic assistance to China. The Japanese aggression in China is bound to fail as soon as outside help ceases to come to the aggressor.

The United States has now assumed the role of "Arsenal for the Democracies." China believes she has much to offer to America and she is ready to assist the rapid expansion of the American war industry.

Tungsten, antimony and mercury are essential constitutes of war industry. But China produces 60 to 70 per cent of the world's tungsten and 70 per cent of the world's antimony. The United States needs more tungsten than she can produce and depends mainly on China for making up the deficit. About 70 per cent of her 1937 imports of 4,790 tons of tungsten came from China. With an accelerated production of war materials for the Democracies, her demand for the Chinese tungsten is bound to grow greatly. But China is ready to supply the American needs.

On the other hand, besides sending war materials and giving financial assistance to China, the United States can help China in many other ways. To send more building materials to speed up the completion of the construction of the Yunnan-Burma Railway—now the only outlet to the outside world from southwest China—is an example. The recent issue of US$10,000,000 worth of railway bonds in the United States was for the purpose of speeding up the construction. Merely to send war supplies to China is not sufficient, but to insure their safe and quick delivery is also important. The completion of the Yunnan-Burma Railway will solve large part of the problem.

Chungking Visitors

In Chungking—Mr. Henry R. Luce, Editor of Time-Life-Fortune magazine group, and Mrs. Luce, who is a playwright (Claire Booth), who have been in China's war-time Capital, departed this week on a trip to Singapore and after some time there will return to the United States by Pan-American Clipper plane.—Thos. Kwang Photo.

Common Interests

In other words, these two sister Republics on the opposite sides of the Pacific have much interests in common; have much to depend upon each other, and can help each other to far greater extent. To the departing Ambassador, the Chinese can do no better than to tell to him what is really hoped from America.

The Chinese attach much importance to the Ambassador's new post to Canberra, since China has just opened formal diplomatic relation with Australia. It is gratifying that such an experienced diplomat and "old hand" in China as Mr. Johnson has been appointed to the post. He is a right man for the important post.

With "I Now Know China," together with his good knowledge of the Pacific affairs, we believe Mr. Johnson, in going to Canberra, will be instrumental in bringing about Chungking-Washington-Canberra cooperation to defend the Pacific. In bidding a farewell to our "good friend of China," the Chinese believe that Mr. Johnson has another important role to play in Pacific affairs. The Chinese nation wishes him great success.

Export Season Opens

(Continued from Page 412)

up over 100,000 bales of raw silk which Tokyo is all too eager to get rid of again.

Marketing prospects for tea are irregular. Shanghai in normal years used to ship the bulk of its tea exports to French North Africa, whose natives form the largest group of foreign consumers still absolutely preferring genuine China tea. Yet the North African market today is inaccessible for Shanghai, with Morocco, Algeria and Tunisia paying allegiance to Vichy, with the French lacking foreign exchange, and with the British blockade of the sea routes. Green tea will continue to be exported to the United States, but nobody can foretell whether the recent substantial black tea exports via Dairen to unknown destinations will continue.

Shanghai exports to Great Britain, as the European war goes on and continues to spread, are likely to further decrease. London's shipping policy naturally is to curtail shipments over long routes and to substitute shipment over shorter distances. Far Eastern exports to Britain in the recent past required more bottom space than the British think they now have to spare. If even the supply of raw eggs here should sharply increase, it would be doubtful whether the recovery of the London egg tonnage's former volume would be possible. Direct British silk buying here has been discontinued; what raw silk Great Britain continues to import is being purchased at New York. The Hongkong General Chamber of Commerce, in its recently released 1940 report, said that Hongkong exports to the British Isles may be expected to temporarily disappear altogether, and the same prediction would appear justified also as regards Shanghai commodity shipments to the United Kingdom.

In the American markets, a lot of Shanghai products others than silk enioy continuous good sales prospects. The industrial boom in the U.S.A. continues, with more and more industries approaching full capacity employment, new industries rapidly arising, and industrial consumers of foreign materials all over Uncle Sam's country piling up increasing stocks of such materials. Although the Washington Administration endeavors to combat the rise in the American price level, the latter continues to increase. On the other hand, foreign suppliers of the U.S.A. have to be careful not to overreach themselves in price quotations because, if they do, they risk further encouragement of the various young U.S. "ersatz" industries. Wood oil, for instance, by reason of high prices, in recent years has lost more and more old U.S. customers, who turned to synthetic U.S.-made paint oils, whose production goes on expanding.

Other important Shanghai exports, not dealt with in the fore-going article because their production here does not depend on the seasons, mainly include the shipment to the South China Sea region and British Indies of local-made industrial products. Export expansion in this field is not to be expected on any large scale, since Sterling Bloc trade and exchange controls oppose any violent increase in South East Asiatic imports, and because real income and living standard of the masses of those countries' populations, despite the colonial produce boom, failed to increase substantially. On the other hand, Europe continues to be unable to supply those markets in many industrial products, while U.S.-made goods of mass consumption are priced too high to compete successfully with most Shanghai products. At least the maintenance of the present Shanghai export volume in the direction of Singapore, therefore, can be reasonably expected.

U.S. Commercial Attache Pessimistic Regarding China Trade; Glassford, Ward Speak

The United States National Maritime Day and the seventh annual American National Foreign Trade Week, known here as the "Chinese-American Trade Week," were observed by local Americans and their Chinese friends during the week ending May 24.

Celebrations of this period included a Chinese-American Foreign Trade Tiffin, at which A. Bland Calder, American Assistant Commercial Attache, gave the main address; a National Maritime banquet, addressed by Rear-Admiral William Glassford, Commander of the United Yangtze Petrol; and a Students' tiffin, at which Bishop Ralph A. Ward, Methodist Bishop Resident in Shanghai, spoke. A further feature of the week was the address by transcript over station KGEI made by Julean Arnold, former American Commercial Attache here, which was directed especially to American business men in Shanghai.

Calder Pessimistic

Mr. Calder, speaking on "Looking Ahead in Foreign Trade", was pessimistic concerning the immediate future of business in China. He noted that Shanghai trade is now increasing month by month in value, but pointed out that the commerce is not a healthy one, since it deals with necessities of life which should normally be supplied from the interior. Continuation of the inflated trade was considered doubtful, moreover, because the "local prosperity in 1939 and early 1940 was due to the presence of large amounts of refugee capital, to hoarding activities and speculation in commodities due to fears for the currency, and to the fact that the exchange market was being supported, making imports possible. It was due also to the fact that Shanghai could procure materials for industry from abroad, to sell part of its manufacturing output to the Chinese interior by channels which were still open, and to supply a war-time demand in southern Asiatic countries, Australasia, and Africa....The raw and semi-manufactured materials for industry were coming mainly from the United States, the only large supplier able still to deliver in quantity.....

"The situation began to change with the more intensified blockade of last June, when it became less and less possible to ship to the Chinese-controlled interior. World shipping tonnage became scarcer and freight rates rose rapidly, making the costs of imported articles higher. The inflation of currency, low exchange rates, and reduction in the supply of commodities from Chinese domestic sources as well as from foreign sources resulted in sharply advanced prices and rapidly rising living costs."

Fewer Supplies

Mr. Calder went on to state that supplies from America, notably steel and other defense materials, were reaching Shanghai in ever fewer quantities because of "priority" needs for defense works. For example, the United States has an annual steel capacity of 83,000,000 tons, 12 times greater than Japan's, yet America is planning to up this steel production to as much as 120,000,000 by next year to meet defense needs.

The shortage of rice and coal were noted as even a worse handicap to local industry. Mr. Calder pointed out that "Shanghai is for the most part cut off from its own domestic supply of these commodities and is obliged to import them from sources at great distances, the freight charges alone making the costs prohibitive. With rice only a fortnight or so ago costing the consumer 12 or 15 times the pre-war price and coal still costing 30 to 40 times the former level, and with the prospect of having to curtail drastically the supply of power to industry,....Shanghai would be pretty badly off as a result of these factors alone regardless of whether American materials are available for local industry. So it appears that Shanghai may be in for some hard times in the next few months unless some happy circumstance arises whereby these two important commodities can be brought to Shanghai from the interior, thus avoiding the high ocean freight rates which are due to a shortage of tonnage. Even if the Municipal Council succeeds in maintaining a supply of Rangoon rice, as it has commendably started to do, the unemployment problem is likely to become serious due both to the shortage of cool and the shortage of materials for carrying on industries."

Credit is given America and England for what purchases of coal and rice are now being made. The recent stabilization funds given the Chinese Government by these nations make it possible to secure foreign exchange with which to pay for these imports. "So if anyone feels hurt because America is obliged to slow up the supply to Shanghai of materials for industry, it should be borne in mind that at least for the present the joint British and American action has made a food supply possible for this city. This is entirely aside from the American Red Cross relief work, which seeks to assuage hunger in several areas in China."

U.S. Good Customer

Mr. Calder went on to say that America buys more than it sells in the Far East and has been for many years the best single customer of Japan, China, the Philippines, and British Malaya. The United States is the second best customer in the case of the Netherlands Indies and other Asiatic British possessions.

"Billions of dollars of American wealth have been poured into the Far Eastern countries in these adverse balances of payments, thereby adding to the prosperity or buying power of the countries on this side of the Pacific. Missionary and other philanthropic contributions have helped to swell the figures....Some part of Shanghai's prosperity is dependent upon America's huge purchases of rubber from Malaysia. Many rubber plantation companies were capitalized here in Shanghai and the profits from the operation of these plantations are earned here, thereby adding to Shanghai's prosperity."

In relation to the future prosperity in the Far East, Mr. Calder queried if it would be wise to consider leaving the United States out, since America is the Orient's best customer. He thought it probable, though, that America would not want to continue the existing unfavorable balance of trade unless it could contribute to peace, and benefit the welfare of the peoples in the countries concerned.

In conclusion, Mr. Calder pointed to the attitude of the United States which demands that raw materials in the future, be used for peaceful purposes and not to create an artificial scarcity by use in creating agressive war machines.

U. S. Army Girds for War

Black night, roaring engines and the gleam of new metal in the glare of floodlights—a striking camera study typical of round-the-clock production by the aviation industry for National Defense. This is a 4 engine Flying Fortress, built by Boeing in Seattle for the U. S. Army Air Corps and Britain's. R.A.F. Twelve-hundred-horsepower Wright Cyclones, just recently out of their shipping crates, are being "run in" on thhe night shift, preparatory to flight testing the next day.

Rear-Admiral Glassford spoke to the National Maritime Day gathering on the importance of the American merchant marine in this war and the advisability of continuing its growing size after the war by means of subsidies.

Hits Short-Sightedness

After citing the tragic fate of the American merchant marine in the past because of British restrictions and competition and government short-sightedness in not affording federal aid, Rear-Admiral Glassford focused attention to the importance of American-owned and built ships in the present war. He pointed out that The "Battle of the Atlantic at this moment is being lost.... We are facing the inevitable defeat of England and the collapse of the Empire unless something more than is being done, is done about it....There is only one thing that can be done; and that is to see to it that the ships get safely across the Atlantic....

"There is much agitation at home for the escort of ships in convoy. That is certainly one real and deadly effective solution. It is absurd to imagine that it is possible to tolerate the continuance of a situation wherein sinkings are far in excess of replenishment by any means whatever if we intend to win this war....In general sinkings in the Atlantic are five as to two of replacements. This cannot go on....if we care anything at all for the survival of the

British Empire....A few monthe ago there were a scant 5,000,000 tons of shipping available in the Atlantic. This is being destroyed at the rate of 5,000,000 tons a year. With a maximum of 2,000,000 tons replacements one can almost date the disastrous conclusion of the war—unless positive steps are taken to protect those ships."

As a thought for the post-war period, Rear-Admiral Glassford raised the question of whether or not the United States intends to permit the merchant fleet it is now building to rot in harbors after the war.

Stresses Balanced Life

Bishop Ward in his address to Shanghai students planning to attend college in America stressed the importance of a balanced life with a sense of social obligation.

He emphasized that the fact that these students are going to America indicates their interest in democratic and liberal education as opposed to narrow nationalism. He then paid tribute to Generalissimo Chiang Kai-shek and praised his ability to select men of ability.

He continued that the successful student will become interested in both a book education and American life and personalities. In a tribute to Democracy, Bishop Ward remarked that it is essentially by the people, and despite its defects is the government the people want.

Society Gives Bibles To Prisoners, Refugees

The American Bible Society has been distributing Scriptures through the Ecumenical Commission for Chaplaincy Aid for War Prisoners and Refugees. Thus far the Society has sent to European camps 3,230 Bibles, 23,454 New Testaments, and 68,864 Gospels and other portions in English, French, German, Polish and Russian. A single shipment of 4,000 English Testaments was made to one prison camp. There have also been sent to Egypt and India for Italian prisoners 2,200 Testaments and 28,000 Gospels. American Army and Navy Chaplains have been supplied with 72,402 Gospels and other Portions since 1,569 Bibles, 95,819 New Testaments and the beginning of January 1940. Towards the war emergency fund, which provides for this distribution, the American Bible Society had received up to April 15th a total of US$65,843.51.

Since the beginning of the war the British & Foreign Bible Society has published one and a quarter million copies of Scriptures for the military, naval and air forces. The Secretary of this Society reported in April that the losses thus far sustained, including a small amount of stock which had been burned at the Bible House in London when that building was struck by incendiary bombs and other stock destroyed at the printers and binders and shipments lost at sea, total approximately US$42,400. This is covered by war insurance but of course involves great inconvenience. Damage to the Bible House has not been serious, though nearly all the windows were shattered except for the beautiful Tyndle Memorial stained glass window which remains undamaged.

British Preparing For War in Far East

The British are preparing to take the offensive if warfare occurs in the Far East, Air Vice-Marshal C. Pulford said this week in his first radio broadcast since taking over command of British Far Eastern Air Forces five weeks ago.

"Do not imagine that the air forces are intended solely to defend Singapore," he said. "During the last year we have completed a chain of military airdromes stretching from the northern frontier to Singapore and Borneo, and also in Burma as far as the Chinese frontier."

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Outstanding Events in the Sino-Japanese War

A DAY-TO-DAY SUMMARY

First installment of this day-to-day summary constituting a complete record of outstanding events in the Sino-Japanese war on all fronts appeared in the September 11th (1937) issue of The Review.

May 11

Domei report said that Japanese forces operating in southern Shansi had captured Kwangkow on the south bank of the Yellow River, 12 kilometers southeast of Yuanchu. The Japanese planes raided Shangyang on the Burma Route, Kunming, capital of Yunnan province and Mentze, also in Yunnan. Kunming's central business district was severely damaged.

Chungking enforced compulsory evacuation in view of the recent intensive Japanese air raids.

The Japanese denied they had sunk more than 100 sampans in Soochow Creek in Shanghai.

***

May 12

According to the **United Press**, Chungking was not interested in recent Japanese peace schemes for ending the China hostilities. Instead, China was willing to undergo further sacrifices to prevent Japan from shifting to the South, with real help coming from Britain and America.

William P. Simms, American newspaper writer, predicted "with considerable authority" that the United States would refuse to accept the role of the mediator in the Orient "unless Japan in advance agreed to discuss peace on the basis of the Nine Power Pact."

Reuters reported from Tokyo that with a view to stimulating "the whole nation to renewed resolution to fight through the present emergency," Japan is to observe the fourth anniversary of the China War on July 7 with elaborate ceremonies.

Japanese troops started a new drive against the Chinese forces in the areas along the upper reaches of the East River in Kwangtung province, according to **Domei**. The Japanese, it was claimed, had captured Waichow and Poklo.

Formations of Japanese warplanes again subjected Kunming to a heavy raid. The British Consulate building was reported damaged

Mr. Pang Shi-pei, Vice-Minister of Communications, denied a report published by an American paper alleging that the Burma Road had been seriously damaged.

***

May 13

Latest Chinese field dispatches reaching Chungking and quoted by **Reuters** said that what appeared to be the biggest Japanese drive in China since the battle of Hankow is now in full swing, with large Japanese forces launching simultaneous offensives in southern Shansi, northern Honan, northern Hupeh and in Kwangtung. Particular attention is being attached in Chungking to fighting in southern Shansi and northern Hupeh, where there are indications that the Japanese may attempt a joint drive towards Sian and Hanchung, strategic points in Shensi which control highway communications to Szechuen from the north-east.

Japanese reports claimed Japanese successes along three fronts. In southern Shansi, the Japanese claimed to have captured Tungfeng. In central Hupeh, the Japanese said troops had launched mopping up operations after scoring victories in the regions of Ichang, Anlu, Tangyang, Suihsien and Kingmen. In eastern Chekiang, the Japanese reported their forces had pushed back Chinese counter-attacking troops around the Chuki sector. In South China, the Japanese claimed to have surrounded Chinese troops in Tamshui and Pakmongfa, south of Waichow. Japanese planes, meanwhile, were active over areas near Lake Poyang on the Anhwei-Kiangsi border and Kiku in southern Shansi.

Nelson T. Johnson, American Ambassador to Chungking, called on Generalissimo Chiang Kai-shek to bid him farewell.

Chungking officially announced the death penalty for those who hoard more than 5,000 piculs of rice, and life imprisonment for hoarders of more than 3,000 piculs.

Mr. K. Honda, Japanese Ambassador to the Nanking government, told newsmen that although the Japanese-Soviet neutrality pact had evoked obvious political repercussions in Chungking, the Japanese should refrain from indulging in excessive optimism.

***

May 14

Nelson T. Johnson, retiring American Ambassador to China, left Chungking for Hongkong by plane enroute to the United States. He was given a cordial sendoff by many Government leaders and several diplomats. Mr. Clarence E. Gauss, newly-appointed U. S. Ambassador to China, arrived in Shanghai on his way to take up his post in Chungking. He categorically denied having told Japanese newsman in Kobe that a military conference was to be held in Singapore shortly.

Besides granting material assistance to China, Great Britain and the United States intend to send a number of experts to this country, a **Havas** report quoting Chungking's **Kuo Min Kung Pao** said. Part of the war material from the two countries had already arrived. Meanwhile, **Domei** reported from Manila that Brigadier-General Henry Claggett, Commander-in-Chief of the United States Air Force in the Philippines, left Manila for Hongkong by Clipper, speculating that he would go to Chungking.

Japanese planes bombed Chinese bases near Tsinshui in southern Shansi, **Domei** reported.

The semi-official **Japan Times & Advertiser** editorially contradicted a May 9 editorial which said Japan can not conquer China by force, and asserted that Chungking must come to terms now or face destruction, the **United Press** reported from Tokyo.

Mr. Anthony Eden, British Foreign Secretary, warned Japan against mistreatment of British interest in China and promised that Britain would do what it could to help China maintain independence.

***

May 15

Domei reported from North China that the Japanese campaign in northern Honan and southern Shansi provinces was reaching its final phase, with 120,000 Chinese troops hemmed within a Japanese cordon of steel and fire. The Chinese military spokesman at a press conference in Chungking said that the Chinese in the western section of the Chungtiao Mountains were being hard pressed by the Japanese, but

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he claimed that Chinese forces were still holding their ground in the eastern section. He also declared that the Japanese had concentrated six divisions and two mixed brigades for their drive in southern Shansi. The recent widespread Japanese campaigns along many war fronts were attributed by the military spokesman as a "Japanese final attempt to settle the China incident."

Japanese reports said that the Japanese forces had ended their Hupeh campaign with the capture of Tsaoyang, strategic outpost guarding the gateways to southern Honan and northwest Hupeh. Japanese forces in Fukien, it was also reported, had carried out successful mopping-up operations against the Chinese troops in the areas southwest of Futsing, 30 kilometers south of Foochow.

Severe fighting continued in the Chuki sector in eastern Chekiang, where the opposing sides had been engaged for a week in see-saw battles at Wangshakiszu and Fengkiangchow, south of Chuki, **Kuomin** reported.

*
**

May 16

For the fourth time this month, Japanese bombers rained heavy demolition and incendiary bombs on two widespread areas of Chungking. The campaign was considered as the heaviest raid thus far this year 54 planes participating. Several fires were caused but were brought quickly under control. An American ice factory was demolished. It was estimated that total number of casualties would not exceed 300. Loyang in western Honan on the Lunghai line was also severely battered by the Japanese planes, which attacked the city in six consecutive waves of about 30 planes each. More than 500 high-explosive and incendiary bombs were dropped on the town, inflicting considerable damage and casualties.

A **Kuomin** report from Loyang said that Chinese defense lines in southern Shansi remained firm. The Japanese attempt to cross the Yellow River had been completely frustrated, the report said. Recently, according to the same dispatch, Chinese war planes had also appeared over the southern Shansi front. Chinese units were now said to have launched a counter-attack against Tsiyuan and Fengmenkow. Severe fighting continued in the Tungfeng sector, west of Yangcheng.

Chinese field dispatches from Hupeh front claimed that the Chinese forces swept back into Tsaoyang. Chinese front line forces, meanwhile, were said to be in control of all Hupeh fighting sectors following the successful smashing of all Japanese drives in the Yingshen, Suihsien, Chunghsiang, Yangtzeche, Kiangshen, Kingmen and other sectors. Japanese forces had suffered more than 10,000 casualties in their tenday abortive drives, it was further claimed. Lienkiang, northwest of Foochow, was also recaptured by Chinese troops as a result of a successful counter-attack, it was said.

Japanese troops attempting to stage an attack from Pengtseh in northern Kiangsi on Shihmenkai, south of Pengtseh, had been successfully repulsed by the Chinese, **Kuomin** reported.

The morning express from Shanghai to Nanking was said to have been blown up as it was passing through Vong Ting, on the outskirts of Soochow, shortly after 8 p.m. Many passengers were reported killed and wounded.

*
**

May 17

Three high U. S. Military and Naval aviation experts, including Brigadier-General Henry B. Claggett, new commander of the U. S. Air Corps, Philippines Department, Lieutenant-Colonel Harold H. George, U. S. Air Corps, and Commander Francis R. McDonnell, U. S. Navy Air Force, arrived in Chungking by plane for Hongkong.

Mayor Fiorello La Guardia of New York proclaimed that "China Week" will start tomorrow and urged citizens to contribute toward Chinese relief.

Clarence E. Gauss, new United States Ambassador to China, arrived in Hongkong from Shanghai and was welcomed by Nelson T. Johnson, retiring Ambassador.

Four Japanese divisions already had been transferred to China proper from Manchuria as a result of the Russo-Japanese neutrality pact, a **United Press** report from Chungking said.

Japanese forces commenced the second phase of the Hupeh campaign, **Domei** reported.

Formations of Japanese planes bombed Shaoyang and Lengshuitan on the Hunan-Kwangsi railway and also areas along the Hupeh-Szechuan border.

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Who's Who in China

Cheng Chung-hsing (Cheng T'sang-po), born at Changchow, Kiangsu, March, 1902; graduated in Nanyang Middle School in 1922; studied English literature and history in St. John's University in Shanghai for three years and transferred to Fuh-Tan University, from where he received B.A. degree in 1926; went to England and studied public administration and political science in London School of Economic and University College during 1929-31. He studied newspaper work when in the University and was appointed as associate editor of the **China Times** in Shanghai and then was promoted to the editorship which he held for three years; concurrently he was professor of political science and history in Fuh-Tan University and Central University. He was appointed secretary of the Central Political Council and concurrently worked under T. V. Soong. In September 1931, he was appointed a member of Legislative Yuan and at the end of that year he was appointed director of the **Central Daily News.** For ten years, he devoted his time and energy to that newspaper. He was acquainted with many leading journalists throughout the world. He is known in the journalistic world as T'sang Po—his pen-name for about 15 years. After the outbreak of hostilities in 1937 he was sent by the Government on a publicity mission to Europe. He spent one-half year in England. He has been the member of the Central Publicity Board, a member of the Standing Committee of the Editorial Board of the Party Papers, a member of the Standing Committee of the Central Cultural Council, and Dean of the School of Journalism of Fuh-Tan University. He was appointed Secretary-General of the Control Yuan in August, 1940; author of: "Collection of 'T'sang Po' Essays," "Revolution in Turkey," "New Germany"; address: Control Yuan, Chungking.

Cheng Chung-hsing
(Cheng T'sang-po)
程中行字滄波

Men and Events

M. Graffeuil, French Resident-Superior of Annam, Indo-China, died at Dalat on Sunday, May 25.

*

President Roosevelt on May 21 sent to Haille Selassie his and the American people's congratulations on the Abyssinian monarch's return to Addis Ababa.

*

L. L. Farnsworth, Manager in China for Eastman Kodak Company, departed for the United States on home leave this week.

*

Prof. Donald Roberts of St. John's University was scheduled to lecture at the Royal Asiatic Society May 29 on the subject, "Interpretation of Chinese History." The British Consul-General, Mr. A. H. George, was scheduled to occupy the chair.

*

Prof. Li Hsiao-fang of West China Union University will lead a group of Chinese scientists from Chungking, Chengtu and Kunming to the city of Tienshui on the border of Shensi-Kansu, in September, for the purpose of viewing the eclipse of the sun.

*

Dr. Franz Schneider, 71 years-old, died in Tokyo of a heart ailment May 24. Dr. Schneider was of Swiss nationality and was well-known as an airplane designer, holding more than 300 patents relating to the aircraft industry. He had been employed as an engineer and adviser to the Nippon Diesel Industry Company of Tokyo since 1937.

*

Paul M. Anderson, well known insurance representative, of Shanghai who returned home several months ago, has been appointed director of the American Red Cross in China and was expected to sail from San Francisco June 4.

*

The Chinese authorities will inaugurate on June 1 an air mail and passenger service between Chengtu, capital of Szechuen, and Ya-An, in Eastern Hsikang. The service will be operated by the Eurasia Aviation Corporation. Passenger fare for the trip will be $250.

*

Dr. George Sellett, former U. S. District Attorney at Shanghai and now member of the firm of Sellett and Nelson, departed from Shanghai this week for Hongkong, where he will depart shortly by Clipper plane for the United States. Dr. Sellett plans to return to Shanghai in August.

*

Dr. Mei I-chi, President of National Tsing Hua University—located in Kunming—arrived in Chungking on May 22 for a conference with officials of the Ministry of Education. Dr. Mei stated that Tsing Hua would hold its usual examinations for the selection of students to proceed to the United States for their educations.

*

Joseph Gordon Coates, War Minister of New Zealand, arrived in Washington this week for the purpose of establishing a New Zealand Legation in the American capital. In an interview at San Pedro, California, after arrival by Clipper, Mr. Coates said that New Zealand has 50,000 men in war service and is in need of airplanes and munitions from the U. S.

*

Dr. Dana Nance, well known American physician and member of the medical group of Jackson, Dunn and Partners, departed for Manila this week. Dr. Nance has accepted a position as company physician and surgeon and director of hospitals for the Benguet Consolidated Mining Company, Baguio, P. I. He will also engage in private practice at Baguio.

Charles J. Ferguson of the Shanghai Power Company departed for the United States on leave last week. He plans to return to Shanghai in October.

*

Tomejiro Okubo, Mayor of Tokyo, arrived in Shanghai this week for the purpose of making a "comfort-tour" of Japanese garrisons at Shanghai, Nanking, Hankow, Tsinan, Tientsin, Peiping, Hsinking and elsewhere in China.

*

According to the official Nazi **Transocean** service, the French journalist Rene Mazeder has been replaced by Albert Mousset as director of the editorial offices of the official French Information Office. Mr. Mousset has been connected with the **Journals des Debats** and the French wireless at Vichy.

*

The Hongkong Chinese Residents Association is preparing to send a letter of appreciation to President Franklin D. Roosevelt, which will contain the signatures of 100,000 Chinese residents of Hongkong. The letter will thank President Roosevelt for assistance extended to China.

*

A report by the official Nanking **Central Press** on May 26 said that the Japanese Army had demonstrated its friendship for China by restoring to the Nanking authorities a number of properties which had been seized at the time of the Japanese occupation. Properties restored included the Museum, Weather Bureau, Meteorological Station, Central Research and Geological Institute and the premises of the Ministry of Railways. Another report stated that the Japanese had returned some 60,000 books seized by the Japanese Army from the City Municipal Library, Great China University and other institutions, "whose faculties and students fled with the spread of hostilities here in 1937."

The State Department announced May 23 that the American Consulate at Nagasaki, Japan would shortly be closed owing to the falling off of American trade in that area. The consulate was established in Nagasaki 81 years ago. Arthur S. Tower, consul there said that the affairs of the Nagasaki Consulate would be taken over by the Consul-General at Kobe.

*

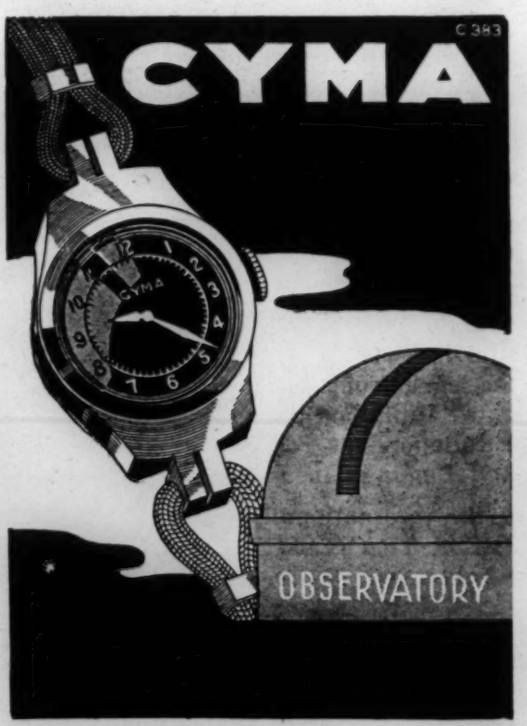
The Executive Yuan at Chungking announced on May 23 the early creation of the new Ministry of Trade, which will be concerned exclusively with the development of China's foreign commerce. It also was announced on May 23 that the new Ministry of Foodstuffs would be inaugurated on July 1, when the existing National Bureau of Foodstuffs Control will be discontinued.

*

Gen. Nobuyuki Abe, who negotiated the Sino-Japanese "Basic" treaty with the Nanking puppet government on November 30 last year, has been sent to Manchukuo on a special mission. The report stated that he would confer with Gen. Yoshijiro Umezu, Commander of the Japanese Army and concurrently Japanese Ambassador to Manuchukuo, and with other high officials in Hsinking.

*

Japanese emigrants to Brazil numbering 299, scheduled to sail aboard the O.S.K. liner, Montevideo Maru on May 26, were forced to cancel their passages a few minutes before the boat sailed due to the failure of their visas to arrive. The reason for the failure of the Brazilian Government to provide the permits was not stated. It was thought that the emigrants might be able to sail on the Buenos Aires Maru on June 24. The Japanese Government had dispatched four large groups of emigrants to Brazil since the beginning of the year, according to **Domei.**



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Gheorghe Bagulescu, recently appointed Rumanian Minister to the puppet state of Manchukuo, arrived in Hsinking on Saturday, May 24 and was scheduled to present his credentials to the Emperor, Henry Pu-Yi, on Monday, May 26. He also will present the Manchukuo Emperor with the Rumanian decoration, Grand Cordon of the Order of Carol 1, on behalf of King Michael, who recognized the Japanese-protected state.

•

A delegation of Japanese women, who were enroute to Berlin, to attend a so-called International Women's Conference called by the Nazis to meet in the German Capital, were forced to return to Tokyo due to the unexpected postponement of the conference according to **Domei**. The report stated that the Japanese delegation would make the trip to Berlin in September—but not until the Conference actually had opened.

•

The Manchukuo Government has appointed Liu Wen, Minister to Hungary, to serve concurrently as Minister to Rumania, which was the eighth country to recognize the Japanese-protected state. According to **Domei** report from Hsinking, Manchukuo has been recognized by the following foreign countries: Nanking Government, Japan, Salvador, Italy, Spain, Germany, Hungary, Slovakia and Bulgaria.

•

Six Japanese in civilian clothes and carrying revolvers forcefully entered the Hankow Club Wednesday evening, May 21. Claiming that they were detectives attached to the Japanese gendarmes, they entered the bar and carried away a mysterious parcel, the contents of which were unknown. The incident was immediately reported to the Japanese military authorities who allegedly made an investigation and reported that they had no knowledge of the identity of the men or the purported theft.

•

Bishop Yupin, Apostolic Vicar of Nanking, who has been in Chungking since the Japanese invasion of East China four years ago, declared in an address on May 25 that Japan's aggression against China was comparable to the anti-religious movement of the German Nazis. Bishop Yupin concluded his address, which was directed to the American people, with a prayer to God to lead China to victory in order that balance be restored in the Pacific and permanent peace restored to the world.

•

The Executive Yuan at Chungking voted on May 22 to issue a Mandate of Commendation in honor of the late Miss Minnie Vautrin, former Vice-President of Ginling College at Nanking. Miss Vautrin committeed suicide while suffering from melancholia following a nervous breakdown at her home in Indianapolis, Indiana on May 14. Miss Vautrin remained in Nanking through the Japanese occupation and prevented drunken Japanese soldiers from raiding the girls' dormitories at the College during the orgies of looting and raping staged by the Japanese army following the occupation of the Chinese capital.

•

Major Evans F. Carlson, former U. S. Assistant Naval Attache in China and previously connected with the Fourth U. S. Marines who resigned two years ago in order to write and lecture in the U. S. is shortly returning to the service, according to letters to friends in Shanghai. He said that he had taken a reserve commission as Major in the Marines and expected to be back in active service shortly. Major Carlson's latest book, "'Twin Stars Of China," told of his travels in both Free China and Japanese occupied territory, while he was assistant Naval Attache. Major Carlson resided in Shanghai and Peiping for several years and is well-known in the Far East.

Dr. R. J. McMullen, Chairman of the American Association, announced this week that the annual American observance of Memorial Day was scheduled to be held at Bubbling Well Cemetery at 8:30 a.m., Friday, May 30. Frank P. Lockhart, U. S. Consul-General was scheduled to preside at the memorial service in honor of the nation's dead, the program including, Invocation by Bishop Ralph Ward, Address by Chaplain H. R. Trump of the Marine Corps, Music by the U. S. Marine Band, Bebediction by Dr. R. J. McMullen, Volleys by the American Company, S.V.C., Taps by Trumpeters, U.S.M.C., National Anthem by U. S. Marine Band.

•

The Soviet Russian Commercial organization known as Amtorg Trading Corporation, will wind up its activities in New York at the end of the present month, according to a report in the **New York Times** on May 26. It was stated, however, that the question of complete withdrawal from the United States had not been decided. Decision to close the New York office was due to enforcement of restrictions on U. S. exports to Soviet Russia through the export licensing system and other difficulties, according to the account. The Amtorg organization has functioned in New York for the past 18 years.

•

The Japanese Supreme Court on May 23 confirmed a decision of the Court of Apeals, sentencing a Briton, Lieut Vincent Oswald Peters 49 years old, to five years penal servitude on charges of espionage. Lieut. Peters was arrested by the Kobe Water Police on Jan. 17, 1940 as he was embarking on a Japanese boat for Hongkong. The Japanese charged that Lieut-Peters had made a secret investigation of Japanese naval construction and properties of depth-sounding apparatus used by the Japanese Navy. Neutral sources reported that Lieut. Peters' complications resulted from innocent remarks made to Japanese members while he was a guest in a Kobe Club.

•

Dr. Robert Ellsworth Brown and Mrs. Brown, formerly of the American Methodist Mission Hospital in Wuhu, whose plane was bombed while standing on the airfield at Suifu, Szechuen, reached Chengtu, capital of Szechuen, on May 25 none the worse for the incident. The plane belonging to C.N.A.C., was piloted by H. L. Woods of Shanghai. They were flying from Hongkong to Chungking on May 20 when they received a message that Chungking was under bombardment by Japanese planes. Pilot Woods immediately brought his plane down on the landing field at Suifu and all sought shelter in a bomb proof. The Japanese dropped bombs on the airfield which did small damage to the plane. Dr. Brown recently returned from the U.S. where he assisted in raising funds for the construction of a number of new buildings for the University Hospital at Chengtu of which he has been appointed superintendent. Before going to America, Dr. Brown made a survey of the malarial situation on the Yunnan-Burma border.

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Shanghai

Word has been received in Shanghai that 10,000 sacks of wheat flour donated by Jewish organizations in the U. S. had been shipped to Shanghai on the Cape Flattery. The flour will be turned over to the Jewish Relief Committee in Shanghai by the American Red Cross which has charge of the shipment.

*

The Central China Railway Company, formed by the Japanese Army for the purpose of operating railways seized from the Chinese Government, has announced plans for the construction of three new lines, "found necessary for exploitation of agriculture and mineral products along the routes to be traversed by the lines. The Japanese military organ at Shanghai, **Tairiku Shimpo**, stated the new lines would connect Wuji on the Tientsin-Pukow railway with Sinyang on the Peiping-Hankow line. Another new road will link Jukao, north of the Yangtsze, with Haichow, starting point of the Lunghai railway, while the third line will connect Hangchow, Chekiang, with Sungkiapu, the terminus of the Nanking-Ahaoan railway. The report did not state how the new roads would be financed or where the materials would be obtained.

*

C. E. Gauss, recently appointed U. S. Ambassador to China, presented his credentials to President Lin Sen of the National Government at Chungking on Monday, May 26. Mr. Gauss arrived in Chungking early Friday morning, four hours before the scheduled arrival of the plane. The earlier flight from Hongkong was taken in order to avoid a possible Japanese air raid. Mr. Gauss called on Dr. Wang Chung-hui shortly after his arrival and renewed his acquaintance with the Chinese Foreign Minister. The Communist paper in Chungking, **New China Daily**, declared on the day following Mr. Gauss' arrival "We and the Chinese people hope that the U. S. Government is planning to give immediate and active aid to Chungking to the extent that such aid has been discussed in the U. S." The paper also urged the U. S. Government to declare a complete embargo on war materials to Japan.

*

The German press and radio on May 25 broadcast a sensational article "proving" that President Roosevelt and his wife are both Jews, and declaring in addition that "almost all of Roosevelt's advisers are Jews like Henry Morgenthau, Secretary of the Treasury; Felix Frankfurter, Supreme Court Justice; Barnard Barush, financier; and Herbert Lehmen, Governor of New York." The Nazi report also alleged that Roosevelt's mother was of Jewish origin and that Mrs. Eleanor Roosevelt's mother was a Jewess. The German report quoted a statement allegedly once made by president Roosevelt that his forefathers came to America from Holland about 300 years ago and he "did not care whether they had been Jews, protestants, or Catholics." The Nazis claimed that investigation had shown that there were Roosevelts in New Amsterdam in 1720 who were Jews.

U. S. Treasury authorities announced the seizure of US$100,000 worth of opium aboard the freighter City of New York, which docked at New York on May 13. A Chinese laundryman on the ship named Guey Quay, 44-years old, was arrested in connection with the seizure. The origin of the opium was not stated.

*

"Sometimes I wonder whether I am more American than Japanese," said Matsuoka, who was educated at an American university, "but I have found by studying my reflexes while under the influence of alcohol that I am a Japanese at heart. I can't think clearly in any language but Japanese at those times."—**UP dispatch to The Omaha World-Herald.**

*

Dr. Walter T. Swingle of the U.S. Department of Agriculture has succeeded in classifying the well known Chinese fruit "Lo-han" which has been sold in the United States in dried form for many years. Dr. Swingle stated in his report that the fruit is a new species of Mormodica, distinct from any previously known to botainists. It has been named "Memordica Grosvenor," in honor of Dr. Gilbert Grosvenor of National Geographic Society, Washington, D. C., who promoted various geographical expeditions to China. The Lo-Han or Lo-Quat is grown by primitive Miao people in Yunnan, who use a system of artificial fertilization by pollination from wild male plants found at 2,000 feet above sealevel. The fruit is dried artifically over charcoal fires prior to shipment to Canton and abroad. Aside from its excellent taste, the fruit is supposed to serve as a remedy for sore throat, colds, stomach and intestinal disorders. The report in **Havas** stated that American scientists are paying more attention to Chinese drugs since the discovery of Ephedrin, extracted from "Ma Huang," which was unknown outside of China twenty-five years ago.

*

The Egyptian steamer ZamZam, which was seized and sunk by a German raider in the South Atlantic was shelled for 10 minutes on the early morning of April 17, despite the fact the ship was unarmed, according to reports of former passengers who were landed at St. Jean de Luz two weeks ago after a cruise of 33 days aboard the Nazi vessel. Despite the Nazi declaration that the cargo consisted of military materials, the survivors stated that the "military equipment" consisted of an ambulance unit with equipment, which had been purchased in the United States. The passenger list included 62 women, 53 men and 25 children, all American missionaries bound for various posts in Africa. In addition there were 23 Britons, four South Africans, four Belgians, two Greeks, one Italian and one Norwegian. Five of the woman aboard the ship were pregnant. The crew of 129 consisted mostly of Egyptians. All of British nationality were interned by the Germans. Two Americans, Francis Vicocari of New York and Ned Wilson, whose address was not given, were injured by the German shell fire. Vicovari suffered a broken thigh and elbow and Wilson's skull and brain were pierced by shrapnel. Both were kept aboard the "Black Raider." Charles J. V. Murphy, representative of **Fortune** magazine, who was abroad the vessel, paid a high tribute to one of the American women missionaries, Mrs. William Danielson of Vilas, Kansas, for heroism, quiet efficiency and faith. He also said there had been exhibitions of "unspeakable cowardise," on the part of some of those aboard the ship. One German gunner told Capt. William Gray Smith, Captain of the ZamZam, that he had fired 55 shells at the Egyptian steamer. The German Government promised to permit the Americans to proceed to Spain, **stated the United Press report.**

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New Books of Interest in the Far East

Tolishus on Germany

THEY WANTED WAR, by Otto D. Tolishus; Published by Reynal & Hitchcock, Inc., New York, $3.

This is a story of Hitler's Germany written by a first class neutral journalist. Otto D. Tolishus, Berlin correspondent for **The New York Times**, covered political events in Germany throughout a most significant period of this country's history—from Hitler's rise to power in 1933 to the launching of the present war. His dispatches to **The New York Times** have won for him world-wide repute and in 1939 he was awarded the Pulitzer Prize for his reporting. The Nazis also recognized Mr. Tolishus's services—they ejected him from Germany seen after the beginning of the war, and his book, "They Wanted War," is a 330-page comprehensive record of what the author saw and learned of Hitler Germany during his prolonged stay there.

The most impressive feature of Mr. Tolishus's narrative is its impassiveness and impartiality. The dignity of his tone remains on the same level no matter what he speaks of—be it Hitler's characteristics, the account of how the world's most formidable war machine was built, or the eye-witness reporting of what happened in Poland. The author "never lets himself go," and the superior quality of his reporting inspires confidence in whatever he has to say.

This is why it is imperative to draw attention to a chapter in his book entitled "World Revolution: a Challenge to America." Says the author:

"How do Hitler's victories concern the United States, which still has wide oceans to protect it and whose wealth of resources makes it "the greatest nation on earth?" Surely Hitler cannot be planning to conquer the United States and make it one of the subject States of his world scheme?

"To have raised that question only a few months ago would have stamped one as an irresponsible alarmist. Yet it has been in the mind of all who have watched the rise of National Socialism and realized its implications, and today only the irresponsible will presume to give an apodictic answer to that question.

"The battle now being fought is a life-and death struggle between two cultures, two ways of living and dying, two moral concepts and two systems of social, political and economic organization. The outcome must not only demolish the present balance of power in the world but determine the future shape of the world.

"That this struggle has assumed such world-wide ramifications is boldly proclaimed by Adolf Hitler himself and reaffirmed by every word that has come from National Socialist Germany. This new Germany has broken beyond the German frontiers with the elemental force of an exploding volcano, the fires of which are testing the fitness of the existing world order to survive. That France, Austria, Norway, Czecho-Slovakia, Poland, Denmark, the Netherlands and Belgium were earliest engulfed was owing merely to the accident of geography which placed these countries as the first obstacles in the path of the National Socialist world revolution.

"Each conquered country has been only a base of departure for new conquests; the final goal is announced to be the world rule of the German race.

"A few months ago such ambitions appeared to be merely mad dreams or propagandistic slogans. Now they have assumed a new reality amid the bursting bombs of German air armadas, the roar of motorized divisions and the tramp of legions."

About one third of the book is devoted to "How Hitler Prepared,' and under this title the author reveals to us the amazing story of the process of accumulation of power in the hands of one man, going hand in hand with the material and spiritual mobilization of the country's resources—all for fulfillment of the maniac's goal—conquest of the world for the rule of Germanic race.

Of this section of the book the most interesting and instructive is the chapter dealing with the organization of the "Fifth Column" activity by the Nazis, the slogan for which has been "blood knows no borders." The important part played by subversive activities of the "Fifth Columnists" in the present war is well known but it is safe to presume that the following complete exposition of the racial doctrine as referred to the "Fifth Column" will be found striking by most of the readers:

Says Josef Huenerfauth in an article in the NSZ Rheinfront: "Primarily we are not citizens of States, but racial comrades. The certificate of State citizenship is an easily exchanged possession, but membership within one's people is something immutable, granted by God....Proceeding from the racial realization we include in the league of national comradeship all who are of German blood. In addition to those who live in the Reich we count the many millions of tribal brothers whom fate has scattered all over the world. This produces a great community of German kind, which has its members in all States of the world, and which finds its proud refuge and kernel in the Reich of Adolf Hitler....There lives a law which unites beyond borders and distance, and that is the law of blood and brotherhood."

In "Life in Wartime" we are offered a most complete and a most realistic picture of war-time Germany ever written. Food rations, ersatz, working of war-time industry—and above it all and penetrating all phases of life—the all-powerful weapon of cleverly organized propaganda. The counterpart of this static description of war-engrossed Germany is the next chapter, in which we see Germany on the march, animated by the desire to spread, to grow, to conquer. The author calls this chapter "More People, More Land," and the mental vision of a well-armed, bloodthirsty and unscrupulous-in-methods war machine, into which Hitler turned Germany, arises with amazing vividness before the eyes of the reader. This is the author's only indictment of the regime he paints—and his realistic approach, his clearly cut and concise manner of writing, his ability to reserve his opinion and judgment—are not less expressive than the cleverly devised war propaganda.

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Emily Hahn's "The Soong Sisters" Found "Delightful, Well-Written Book"

(The following review of Emily Hahn's widely-discussed new book, "The Soong Sisters," was written by Nym Wales (Mrs. Edgar Snow) and appeared in a recent issue of the Nation, published in New York).

The famous Soong sisters are already fairly well known to Americans, though this reviewer knows of only one other full-length biography—"Three Sisters," written by Pearl Buck's sister, Cornelia Spencer, which appeared in 1939. Emily Hahn is the clever American novelist whose sketches and stories are familiar to readers of the **New Yorker**. She has lived in China during the past five years, and her material for "The Soong Sisters" was collected with the cooperation of

Nym Wales

Madame H. H. Kung and Madame Chiang Kai-shek. The elusive Madame Sun Yat-sen, however, refused to be interviewed and was therefore rather neglected and misinterpreted in the story. This has always been the stumbling block confronting writers who have aspired to do such a composite biography. Evidently Madame Sun prefers not to be considered a pillar of the ruling "Soong dynasty," but an independent torch-bearer for her husband's revolutionary principles. For her own story, we shall doubtless have to await an autobiography.

The Soong family is the most fascinating human-interest story in China, and Miss Hahn has made good use of her material, especially in the case of the father, Charlie Soong, and in giving a new personalized portrayal of Madame Kung, least known of the three sisters. The author, however, failed to make the most important point about Madame Kung, which is that her financial wizardry has built up what is probably the greatest personal fortune in modern Chinese history. With delicate irony Miss Hahn merely remarks that Madame Kung learned "how much science there is in banking."

This Soong family is almost as much American as it is Chinese, though we have few family Alger stories to match its history. Apprentice Charlie Soong ran away from his uncle's shop in Boston to become cabin-boy on a coastal side-wheeler. He wanted a modern education and was adopted by a Confederate general, who sent him through Vanderbilt University. Charlie went to Shanghai in 1886 as a preacher for the Southern Methodist Church, but made his fortune selling Bibles and foreign machinery. He married the daughter of one of the earliest Christian families in China, and their six children were all educated in the United States from an early age. The three attractive and highly intelligent daughters were sent to Wesleyan College for Women at Macon, Georgia; Eling ,usually spelled Ai-ling) and Chingling at the age of fifteen, and Mayling at nine.

Charlie Soong was a secret follower of Sun Yat-sen, "Father of the Chinese Revolution," and on their return to China both Eling and Chingling became Sun's secretaries. Eling resigned to marry H. H. Kung, a Y.M.C.A. secretary. She had four children, developed into an extremely competent **tai-tai**, and has been the power behind her husband's throne ever since. Dr. Kung is now Minister of Finance.

Chingling married Dr. Sun shortly after her return in 1913 and became his right-hand helper and an active revolutionary in her own right. Since Dr. Sun's death in 1924 his widow has been a living symbol of integrity not only in China but for socially conscious people everywhere. She is now in her forties, still beautiful, still bent on achieving the social changes so long delayed in China, and still the idol of youth and of the common people of her country.

Mayling came home from Wellesley in 1917 and was Shanghai's reigning society belle until 1928, when she married Chiang Kai-shek, who soon established himself as the de facto head of the Chinese government. Madame Chiang's charm and energy has been an important asset to that government, especially in winning foreign sympathy. Her books have been widely read abroad.

It is to be regretted that this biography, because it evasively skirts internal family feuds and the political problems which determine the character of its subjects and their role in China, falls short of being a critical work. It is not without authority, however. It is that part of the story which Madame Chiang and Madame Kung wish to see presented to the public, and is to be considered in the general class of "authorized biography." Miss Hahn is eminently qualified to have done a much better study had she not been obliged to pussy-foot in order to secure the necessary cooperation. Nevertheless, "The Soong Sisters" is a delightful and well-written book, and the author has handled a delicate subject with much skill.

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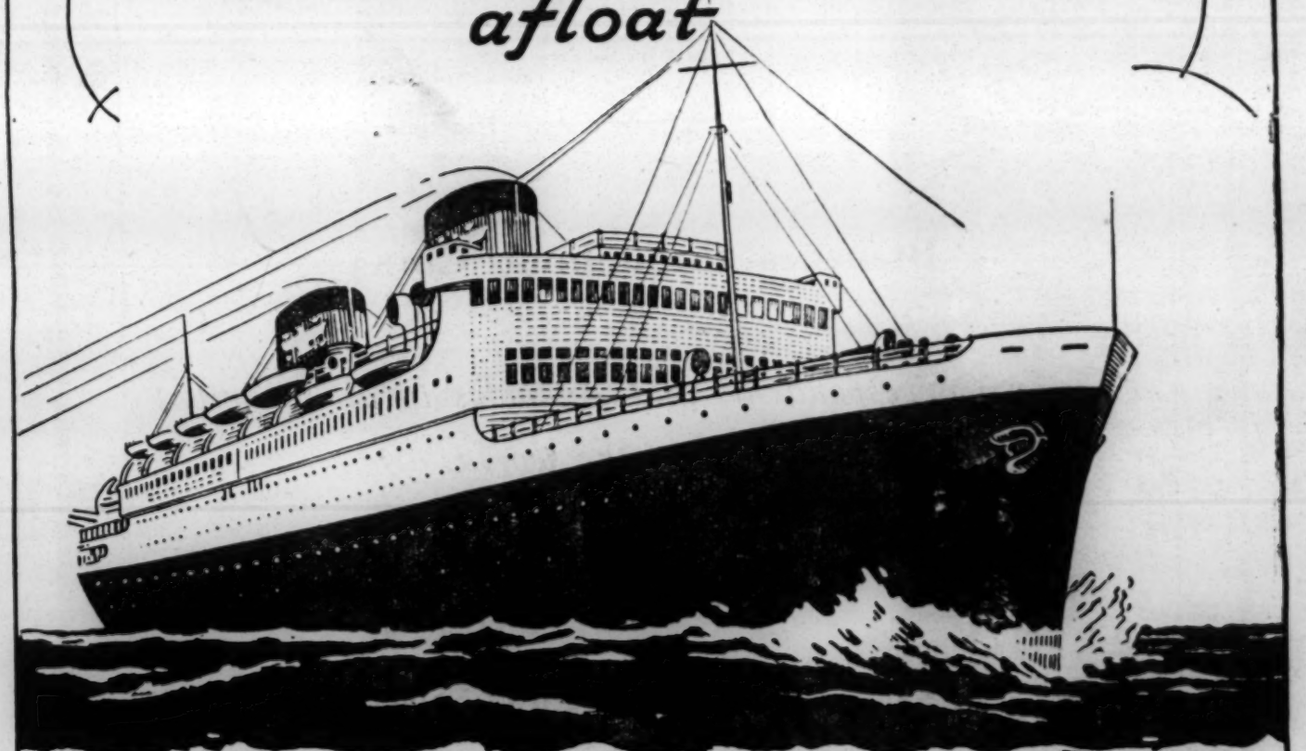

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